



# **Shire of Halls Creek**

## **Strategic Resource Plan**

**2021 – 2036**

Adopted by Council: 19 August 2021  
Council Resolution: 2021/091

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# 1.0 Foreword

We are pleased to present the Shire of Halls Creek Strategic Resource Plan for 2021 – 2036.

This Plan is part of the Shire's ongoing commitment to an integrated approach to planning for the District's future. Despite the current uncertain times, it provides the Council and the community with a picture of the Shire's long term financial, asset management and workforce circumstances and assists us to meet our strategic outcomes and objectives, both during and beyond the COVID-19 Pandemic.

The Shire will encounter many challenges and opportunities over the next 15 years. Changes in population levels and demographics bring with them changing community needs and expectations. The Council will require a clear understanding of its capacity to meet these service expectations as it maintains a strong focus on sound financial management.

Council welcomes community participation in the planning process as we continue to follow the strategic direction for a promising future for our district. We invite members of the community to contact a Councillor or Senior Council staff member if they have any questions.

The Shire of Halls Creek's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Halls Creek Strategic Community Plan 2015 - 2025.

This Plan will be used with the Corporate Business Plan to achieve our goals and drive the Shire in achieving its vision of "The Shire of Halls Creek town and remote communities are economically diverse, caring, and proactive with a strong sense of responsibility and pride."

The Shire has recently devoted significant resources to improving its strategic planning. This work continues as we constantly seek to improve our systems and service delivery.

Malcolm Edwards

President

Noel Mason

Chief Executive Officer

## Our Vision

The Shire of Halls Creek town and remote communities are economically diverse, caring, and proactive with a strong sense of responsibility and pride.

## 2.0 Key Information

### ASSUMPTIONS


 **1.5%**  
Inflation Rate

 **Stable**  
Population

 **Stable**  
Levels of Service

 **Stable**  
Operations

 **Balanced**  
Annual Budget

 **2% from 2022-23 →**  
(CPI 1.5%)  
Rates | Fees and Charges

 **1.5% (CPI) →**  
Employee Costs


### STATISTICS <sup>1</sup>/<sup>2</sup>

 **7**  
Elected  
Members

 **104**  
Employees

 **1,698**  
Electors

 **1,395**  
Dwellings

 **2,837km**  
Distance from  
Perth

 **133,061km<sup>2</sup>**  
Area

 **3,269**  
Population

### FINANCIAL INFORMATION<sup>3</sup>

**\$2,638,468**  
Rates Revenue

**\$1,058,835**  
Fees and Charges

**\$15,905,837**  
Operating Revenue

**\$15,808,249**  
Operating Expenditure

**\$125,901,400**  
Net Assets

**\$5,776,313**  
Cash Backed Reserves

**\$4,415,902**  
Long Term Borrowings

<sup>1</sup>WALGA Online Local Government Directory  
2019/20, Shire of Halls Creek

<sup>2</sup>Australian Bureau of Statistics Halls  
Creek (S) (LGA53920) 2019 Census of  
Population and Housing, viewed 9 June  
2021

<sup>3</sup>Shire of Halls Creek 2019-20 Annual Financial  
Report

## 3.0 Executive Summary

The following information provides a brief summary of the Strategic Resource Plan 2021 – 2036, this should be read in conjunction with the underlying assumptions detailed in this Plan.

### 3.1 Planning for a Sustainable and Stable Future

The Shire of Halls Creek is planning for a positive and stable future, despite the current uncertainty arising from COVID-19. The Shire seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

Long term maintenance and renewal of the Shire's infrastructure remains a significant challenge and requires external funding to ensure the economic and social benefits of the Shire's infrastructure to the broader region and Western Australia are not impacted.

### 3.2 Significant Issues

The continued provision of community services and infrastructure remains one of the key priorities and major expenditure items for the Shire.

Road maintenance and road renewal remain a high priority for the Shire due to the strategic economic and community benefit the road network provides to the district and broader region.

Adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions.

Due to the current world-wide COVID-19 pandemic, and the subsequent restrictions put in place by the Federal and State Governments, the economic forecast has an increased level of uncertainty.

Rate revenue is forecast to increase at 2% per year from 2022/23 for the duration of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of services to the community where possible. These increases will be reviewed annually when setting future budgets.

### 3.3 Forecast Capital Projects

A capital works program has been planned over the term of the Plan with a mixture of new/upgrade assets and asset renewals aimed at ensuring the continued provision of high quality community infrastructure to residents of the Shire. External funding is essential to undertaking these works.

Project by Asset Class	2021 – 2036 Amount (\$)
<b>Infrastructure – Roads</b>	
Road upgrades and renewals	35,010,000
Duncan Rd	3,700,000
Balgo Mission Rd	1,600,000
Carranya Rd	1,520,000
Lake Gregory Rd	400,000
Springvale Lansdowne Rd	3,350,000
Tanami Rd	3,760,000
<b>Infrastructure - Roads Total</b>	<b>49,340,000</b>
<b>Plant and Equipment</b>	
Plant replacement program	12,433,700
<b>Plant and Equipment Total</b>	<b>12,433,700</b>
<b>Buildings</b>	
Building renewals	4,700,000
<b>Buildings Total</b>	<b>4,700,000</b>
<b>Furniture and equipment</b>	
Furniture and Equipment renewals	150,000
<b>Furniture and equipment Total</b>	<b>150,000</b>
<b>Grand Total</b>	<b>66,623,700</b>

# 4.0 Community Profile, Vision and Objective

## 4.1 Location

The Shire of Halls Creek covers an area of 133,061km<sup>2</sup>, situated in the Kimberley region of Western Australia, incorporating the communities and localities of Balgo, Billiluna, Mulan, Warmun, Ringer Soak and Yiyili. The Shire administration centre is located in the town of Halls Creek, 2,837 km north-east of Perth.

## 4.2 Heritage

The land now known as Halls Creek has long been occupied and is crossed by songlines and trading paths stretching from the coasts to the deserts, some passing near the modern town. The story of that long occupation remains alive today and is revealed in the culture of the Jaru, Kija, Kukatja, Walmajarri, Gooniyandi and other indigenous people who live in the Shire of Halls Creek.

Late in the 1800's Europeans arrived, searching for minerals for wealth and land for cattle. On December 25, 1885 prospector Charlie Hall found a huge 28-ounce (nearly 1 kilogram) gold nugget at a site that would eventually be named after him. News of the discovery drew more than 15,000 people to what is now Old Halls Creek. It proved an inhospitable land for these people and the graves of some can be found in Old Town's small cemetery.

The gold rush lasted less than three months and Halls Creek became a trading centre for cattle stations, aboriginal communities and miners who stayed in the area. In 1918, the Australian Inland Mission built a hospital and the old town struggled on, short of inhabitants and water. In 1948, an airfield was built near the site of the present town and over the next decade the old town moved nearer to this new site. Except for the police station, which finally relocated in 1961, the old town was abandoned by 1954.

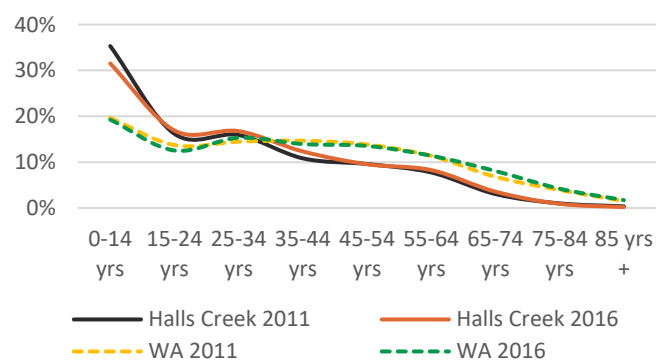
The new town of Halls Creek is one of the largest predominantly indigenous communities in Australia. It is a friendly, welcoming place and offers travellers an ideal stop on their journeys. The old town is worth a visit, nestled in spectacular country.

## 4.3 People

The following statistics reflect the Shire's population in comparison to the population of the state of Western Australia.

Population	2011		2016
Shire of Halls Creek	3,869	↓	3,592
WA	2.24m	↑	2.47m

The age demographic of the districts population is reflected by the black (2011 Census) and orange (2016 Census) lines in the chart below.



The West Australian population is reflected by the dotted lines, it is apparent the Shire of Halls Creek has a higher percentage of younger (under 30 years) residents than the State average.

## 4.4 Vision

The Shire's strategic vision, as stated in the adopted Strategic Community Plan 2015-2025: The Shire of Halls Creek town and remote communities are economically diverse, caring, and proactive with a strong sense of responsibility and pride.

## 4.5 Strategic Objectives

The following key themes are identified in the Shire's Strategic Community Plan 2015 - 2025 and considered within the Strategic Resource Plan:

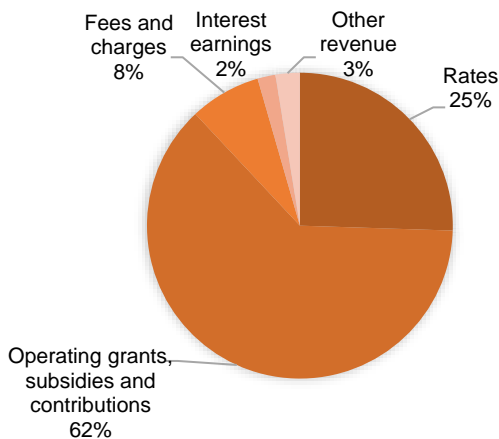
- **Social:** Vibrant and connected communities. We support cultural and language diversity.
- **Economic:** Our Shire region is prosperous and viable.
- **Environment:** Working together to care for our country. Respecting the natural and built environment.
- **Civic Leadership:** Working together to strengthen leadership and effective governance.

# 5.0 Long Term Financial Planning Overview

## 5.1 Forecast Revenue

Rates are expected to increase from historic levels in 2021/22 when they are expected to generate \$2.97m in revenue before increasing at 2% per annum to \$3.92m in 2035/36 and comprise 25% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$125.85m over the next 15 years in operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants for road renewals are expected to remain relatively stable.

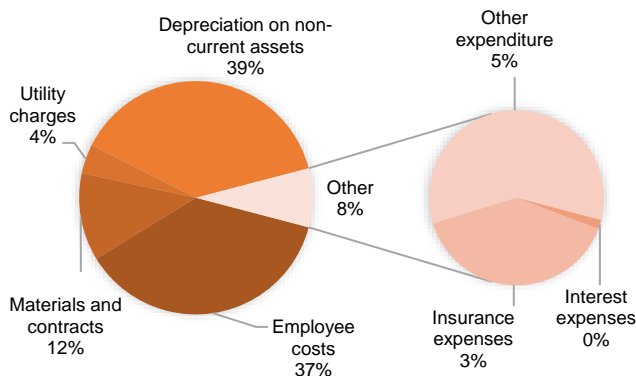
### 5.1.1 Revenue Composition Year 1 to 15



## 5.2 Forecast Expenditure

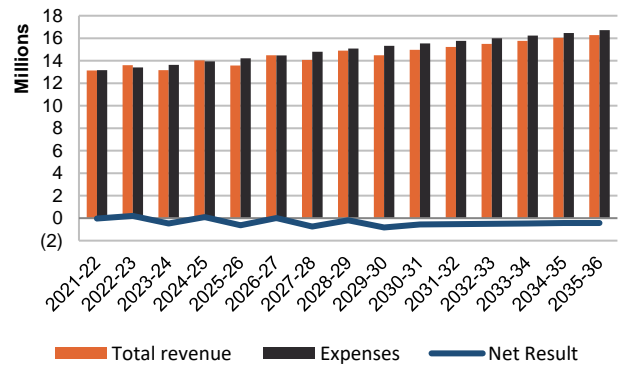
Expenditure is forecast to increase on average in line with inflation with the exception of depreciation expense, which is impacted by the addition of assets over the term of the Plan.

### 5.3 Expenditure Composition Year 1 to 15



## 5.4 Net Result

The chart below reflects in the columns the steady increase in operating revenue and expenditure forecast over the 15 years, with the blue line reflecting the net result.



A negative net result over the long term indicates net asset values will increase slower than depreciation expenses erode asset values. This may be masked by continuous revaluation of assets. Improved asset funding or changes to expected useful life of assets as they are better understood may impact the net result.

## 5.5 Depreciation Expense

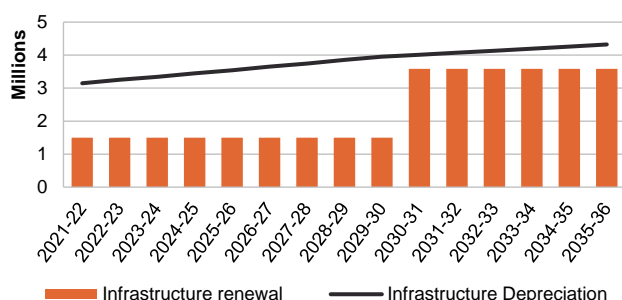
Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the Shire is planning to renew its infrastructure assets at a lower level than they are depreciating over the term of the Plan. Current works to significantly upgrade key road assets in the district has resulted in asset renewals not being aligned to depreciation expense.

Where the planned asset renewals are lower than depreciation, the written down value of these assets will decrease over time as depreciation erodes the value of the assets. Revaluation of assets in line with inflation may mask a real decrease in value where planned asset renewals are lower than depreciation.

# 5.0 Long Term Financial Planning Overview (Continued)

## 5.1.1 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

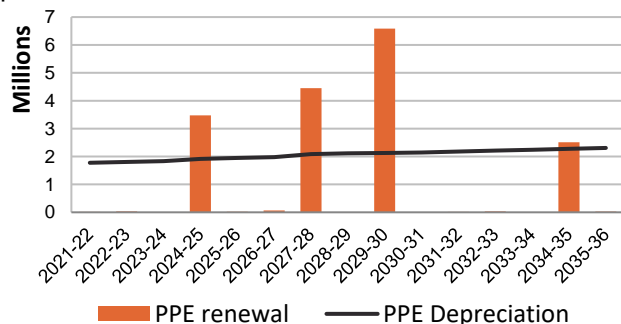
Depreciation expense increases throughout the Plan from \$4.92m in year 1 to \$6.63m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$56.93m, shown by the black line in the chart below. The planned level of infrastructure asset renewal expenditure at \$35.01m (reflected by the orange columns) is over the term of the Plan above the level of depreciation.



During the initial years, upgrade of road infrastructure is prioritised resulting in the infrastructure renewals remaining at less than half of depreciation expense before increasing significantly in 2030-31. Further review of asset useful lives for infrastructure assets may be required as changes in the construction techniques occur and traffic loads vary.

## 5.1.2 Property, Plant and Equipment Depreciation Expense -V- Asset Renewal Expenditure

Planned property, plant and equipment asset renewals of \$17.28m (reflected by the orange columns) over the 15 years is less than the depreciation expense of \$30.95m (reflected by the black line) over the same period as shown in the chart below.



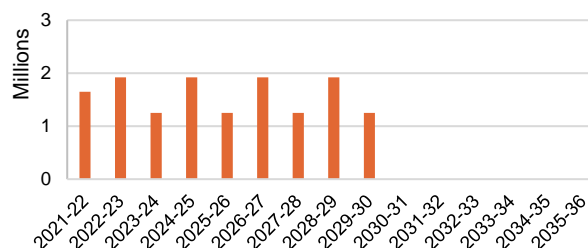
Further improvements in asset management data and the estimation of depreciation expense, along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

## 5.6 Maintenance Expenditure

The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year.

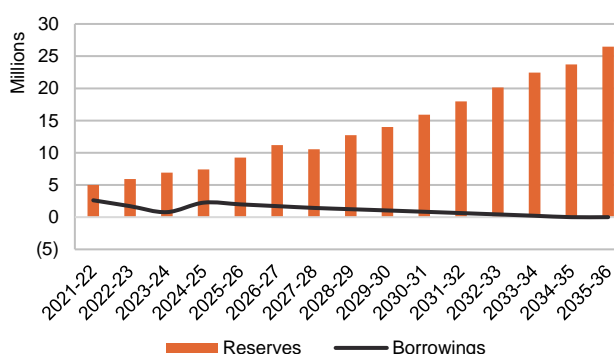
## 5.7 Forecast New/Upgrade Asset Expenditure

As the Shire seeks to complete its strategic objectives in providing road infrastructure to its community, a significant spend is currently planned to upgrade existing sheeted roads, either through sealing the roads or raising the road levels and improving drainage to minimise the impact of flooding. Forecast new/upgrade asset expenditure is shown in the chart below.



## 5.8 Forecast Borrowings and Cash Reserves

In general, the finances of the Shire are expected to remain stable over the long term. Reserves will be utilised to save for major forecast asset renewals and then utilised to fund asset renewals, resulting in the variations in reserve levels as shown in the chart below.



A new borrowing to fund staff housing of \$2 million is planned for 2024, before borrowings are reduced to nil over the life of the Plan, this is part of the strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available and includes the use of cash backed reserves to save for significant future asset renewal spikes.

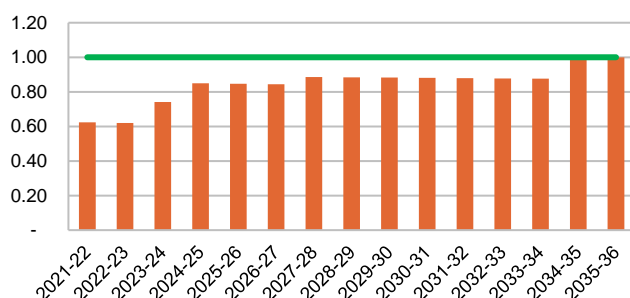


# 5.0 Long Term Financial Planning Overview (Continued)

## 5.9 Forecast Operating Ratios 2021 – 2036

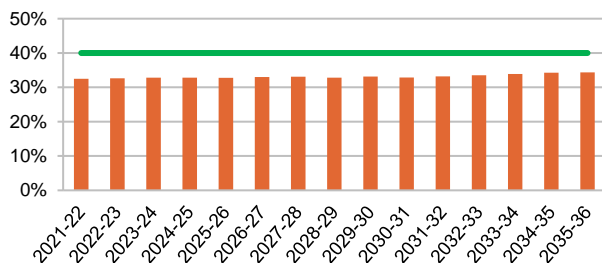
Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries' (the Department) minimum target level of the ratio.

### 5.1.1 Current Ratio



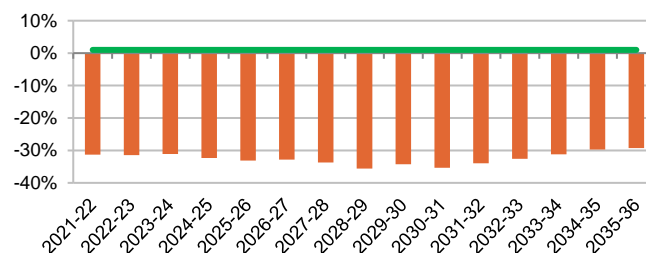
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0 until the borrowings are repaid. The trend is not considered to indicate a threat to the Shire's long term financial position.

### 5.1.2 Own Source Revenue Coverage Ratio



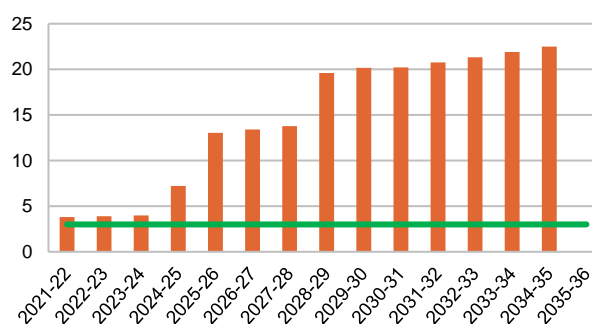
The ratio is trending up over the term of the Plan, indicating the Shire reduced reliance on grants and contributions.

### 5.1.3 Operating Surplus Ratio



The ratio above highlights how the cumulative impact of the rates increases are intended to address the Operating Surplus Ratio over the long term.

### 5.1.4 Debt Service Cover Ratio



The ratio indicates the Shire has an increasing capacity to take up borrowings if required, with existing borrowings completely repaid in 2034/35.

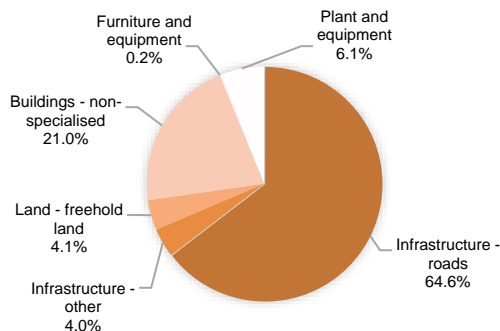
An explanation of all ratios is provided at Section 12.

# 6.0 Asset Management Planning Overview

## 6.1 Key Asset Information

The Shire controls an asset network with a written down value of \$123.53m<sup>1</sup>, of which roads infrastructure constitutes the largest component values as reflected in the chart below.

### 6.1.1 Written Down Value by Asset Class<sup>1</sup>



## 6.2 Asset Management Policy

The purpose of an asset management policy is to:

- Provide a framework for the sustainable management of the Shire's asset portfolio;
- Ensure an organisation wide and inclusive approach is taken to asset management; and
- Ensure adequate provision is made for the maintenance and replacement of assets in accordance with the assessed levels of service.

The asset management policy is intended to provide clear direction in relation to the Council's expectations for the sustainable management of its assets and applies to Elected Members, Employees and Contractors/Consultants engaged by the Shire.

## 6.3 Asset Management Strategy

Developing an asset management strategy is a planned process of continuous improvement across all its components. Key improvements for each class of asset are discussed at the end of each section in Appendix A.

When planning for the future renewal of Shire assets, a condition-based estimation of remaining useful life was applied (where possible) as it was viewed as the most appropriate methodology. Where condition information was unavailable, an age based estimation of remaining useful life was applied.

Modelling was undertaken to determine the long term funding required for asset maintenance and renewal.

By adjusting the estimated useful life of assets, the balance between the risk of loss of asset service and the financial costs of asset renewal and maintenance was determined.

Detailed long term planning is required for the renewal of building assets, due to the scale of expenditure in relation to these assets and the likelihood of usage/design upgrades when renewal occurs. Unfortunately, planning for the renewal of long lived assets carries with it a high level of uncertainty. This is due to the vagary associated with the allocation of future external contributions and the potential for a sudden and unexpected change in grant funding.

It is important to note, capital works identified in this Plan, funded by external contributions may be postponed or reduced in scale should external funding not eventuate. Postponing asset renewal past forecast estimated useful life and an optimum intervention point increases the risk associated with sudden unexpected asset failure bringing with it the potential for a loss of service.

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved its targeted asset management outcomes, integrated with financial planning within its forecast financial capacity based on an annual rate increase of 2% (CPI of 1.5% + 0.5%) from year 2 of the Plan onwards.

## 6.4 Level of Service

The level of service for roads, at its most basic, is reflected in the speed and weight ratings across the road network. As a measure, the lengths of sealed and unsealed road for each speed and weight rating is viewed as the most appropriate indicator of the level of service of the road network and will continue to be monitored into the future.

Level of service measures are defined for most asset classes within Appendix A.

<sup>1</sup> 2019/20 Annual Financial Report - Shire of Halls Creek

# 6.0 Asset Management Planning Overview (Continued)

## 6.5 Financial Management Strategy for Assets

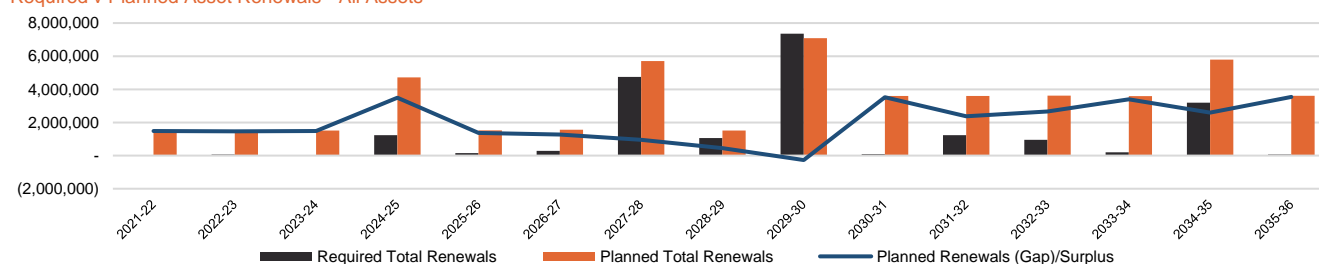
Based on the 2019/20 Annual Financial Statements and 2020/21 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

Impacts of the COVID-19 pandemic have created a level of uncertainty. Revenue and expenditure for 2021/22 are expected to align with 2020/21. Should the need arise for additional funding to meet the impacts of COVID-19 these will be drawn from Reserve. Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases marginally higher than the consumer price index (CPI) are forecast to occur from year 2 onwards, combined with the maintenance of operating expenditure in line with the CPI forecast.

Forecast planned asset renewals for the term of the Plan, along with the forecast required asset renewals to maintain services in the future, are shown as columns in the chart below with the values in the table on the right. Forecast asset renewals requirements are arrived at based on current estimates of replacement cost and remaining useful life of each asset, assessed from the asset's condition or age. The Shire is planning for renewal of all assets at the end of their useful life, except for buildings. Buildings are to be maintained so they may be used beyond their standard useful life. Further useful life information is required for road assets to better determine the remaining useful life of road assets.

The annual budget cycle and resource limitations result in differences between the planned and required renewal expenditure, referred to as an asset renewal funding surplus/(deficit). The asset renewal funding surplus/(deficit) representing the difference between the planned and required asset renewals is represented by the line in the chart below, with values provided in the table on the right.

Required v Planned Asset Renewals - All Assets



## 6.6 Forecast Planned and Required Asset Renewals

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2021-22	1,513,900	34,395	1,479,505
2022-23	1,528,194	61,835	1,466,359
2023-24	1,510,000	26,534	1,483,466
2024-25	4,719,960	1,229,151	3,490,809
2025-26	1,521,937	150,662	1,371,275
2026-27	1,560,226	289,309	1,270,917
2027-28	5,707,315	4,751,004	956,311
2028-29	1,510,000	1,061,387	448,613
2029-30	7,090,559	7,359,252	(268,693)
2030-31	3,596,178	78,098	3,518,080
2031-32	3,599,527	1,227,764	2,371,763
2032-33	3,616,116	949,765	2,666,351
2033-34	3,595,000	198,313	3,396,687
2034-35	5,797,082	3,197,236	2,599,846
2035-36	3,608,853	67,404	3,541,449
<b>Total</b>	<b>50,474,847</b>	<b>20,682,109</b>	<b>29,792,738</b>

A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

The spike in 2029/30 is a result of a large amount of plant and equipment renewal required at that time. Further review and update of this asset information should address this theoretical renewal requirement.

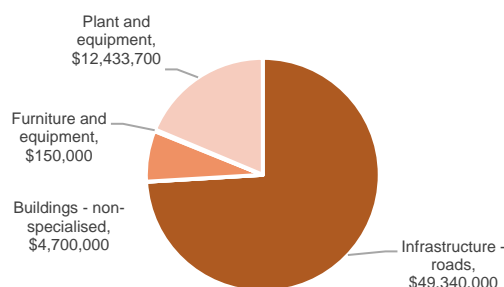
As assets approach their initial estimated asset renewal, the timing and need for renewal will be re-assessed and may well vary, enabling the reallocation of limited resources between asset classes and years, using cash backed reserves.

## 6.0 Asset Management Planning Overview (Continued)

### 6.7 Planned Asset Expenditure

Renewal asset expenditure of \$50.47m has been planned as per the previous table, with \$14.33m of new and expansion of road assets planned.

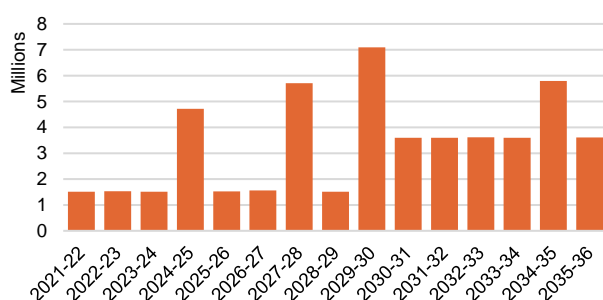
#### 6.7.1 Planned Capital Expenditure 2021 – 2036



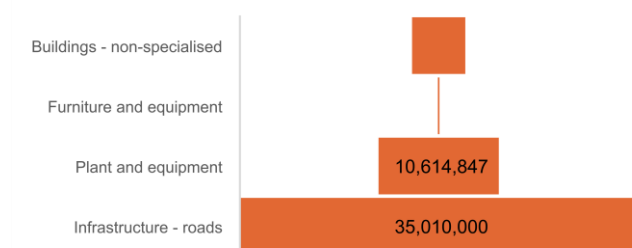
### 6.8 Planned Asset Renewal

Planned asset renewal expenditure has been determined by allocating the expected funds available for capital expenditure. Allocation of these funds between the various asset classes was undertaken to best match the required asset renewal expenditure. The timing and level of planned asset renewal expenditure for each asset class is summarised in the chart below.

#### 6.8.1 Planned Asset Renewal Expenditure



#### 6.8.2 Planned Asset Renewal Expenditure by Class



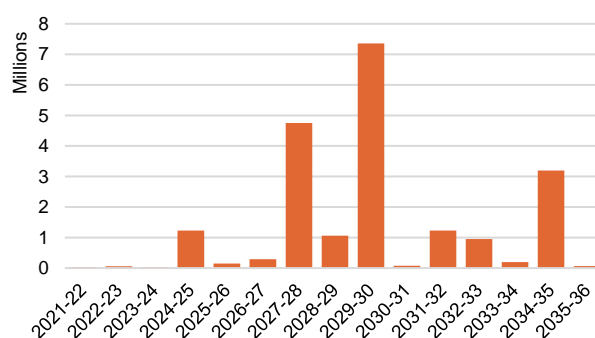
Planned asset renewals by asset class over the 15 years of the Plan reflected in the chart above shows the major renewal spend relates to roads and plant and equipment.

### 6.9 Required Renewal Expenditure

Required asset renewal expenditure for the road network has been estimated based on road conditions and forecast estimated standard useful lives. For other asset classes, forecast asset renewals have been based on the age of the assets and their estimated remaining useful life (determined during recent revaluations) combined with current replacement costs.

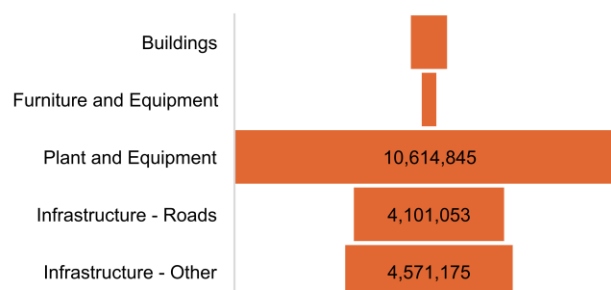
Required asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$20.68m are forecast to be required over the 15 years of the Plan based on existing asset data.

#### 6.9.1 Required Asset Renewal Expenditure



As discussed at section 6.6 the spike in 2029/30 is due to a need to replace plant and equipment. This is not considered to be a reasonable expectation and the Shire is not planning to undertake the renewal of these assets in line with the valuations timing.

#### 6.9.2 Required Asset Renewal Expenditure by Asset Class

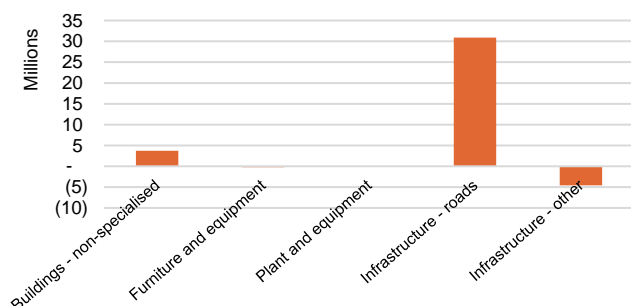


Renewal of plant and equipment dominate the forecast required asset renewals over the 15 years.

# 6.0 Asset Management Planning Overview (Continued)

## 6.10 Asset Renewal Funding Surplus/(Gap)

Differences between the forecast planned and required asset renewals for all each asset class over the 15 years of the Plan exist as shown in the chart below.



These differences in planned asset expenditure are not considered to be of long term significance, provided the Shire undertakes the planned renewals and asset maintenance. Further analysis and revision of asset valuation information and associated underlying assumptions and estimates is required to confirm true required asset renewal expenditure. Required renewal expenditure for road assets will also be heavily influenced by future road usage and maintenance.

Standard useful life estimates used within the infrastructure valuations were not considered to be appropriate or relevant for the Shire of Halls Creek and were modified to align to historical asset lives and renewal cycles. With most major roads being upgraded the requirement to renew assets in the 15 years of the plan is minimised.

## 6.11 Upgrade/New Expenditure

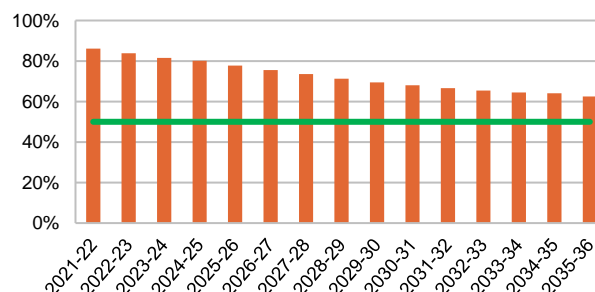
Road upgrades to infrastructure are planned to occur over the next 15 years in response to community expectation. Where funds are available after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning will be undertaken for asset upgrade/new expenditure prior to each project.

Asset expenditure of \$14.33m for upgrade/new assets are modelled over the 15 years of the Plan.

Road Project	Expenditure \$
Duncan Rd	3,700,000
Balgo Mission Rd	1,600,000
Carranya Rd	1,520,000
Lake Gregory Rd	400,000
Springvale Lansdowne Rd	3,350,000
Tanami Rd	3,760,000
<b>Total Expenditure</b>	<b>14,330,000</b>

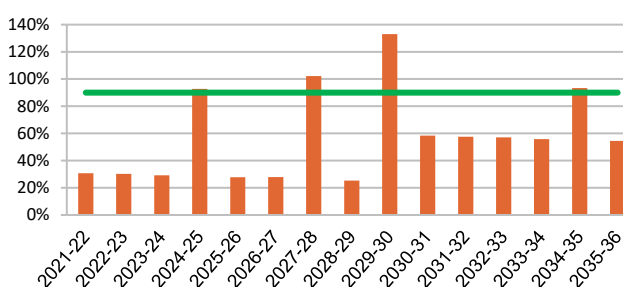
## 6.12 Forecast Asset Ratios 2021 – 2036

### Asset Consumption Ratio



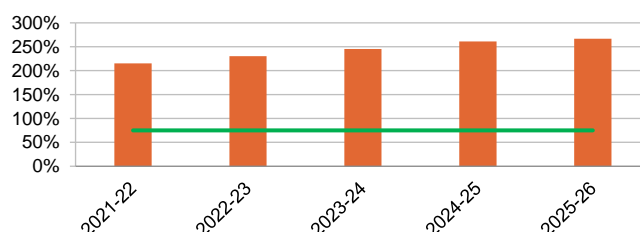
The asset consumption ratio is above the target range and remains so throughout the term of the Plan, with assets being renewed at adequate levels to maintain the average age of assets.

### Asset Sustainability Ratio



The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is below the guideline level and indicates the Shire is generally not renewing assets in line with their forecast depreciation expense due to the average useful life of assets exceeding the 15 years of the Plan and road asset depreciation requiring further review.

### Asset Renewal Funding Ratio



The ratio is above the target ratio, with planned asset renewal expenditure being above required asset renewal expenditure as set out in this Plan. Further improvements in forecasting the remaining useful lives of assets may result in changes to this ratio. No concerns currently exist in relation to the ratio being above the target due to the lack of required asset renewal forecast data with most roads being upgraded.

## 7.0 Workforce Planning Overview

The Shire faces a range of workforce opportunities and challenges with a diverse mix of demographics in the workplace.

The Shire continues striving to meet the changing service demands of its community. This requires a skilled, flexible and productive workforce across the organisation to deliver the Shire's Strategic Community Plan objectives.

### 7.1 Workforce Profile

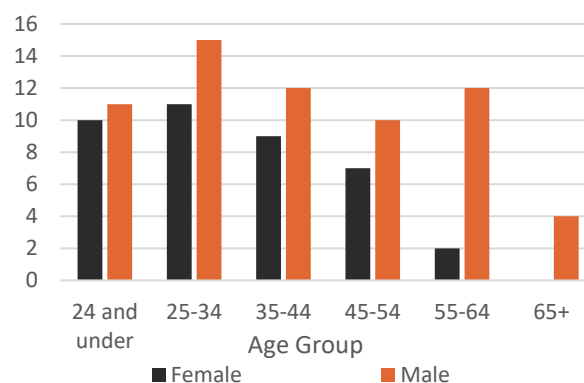
Information	Shire of Halls Creek - as at May 2021	
Number of employees	103	
Full time equivalent employees	91.86	
Gender	38% (39) female 62% (64) male	
Total annual salaries and wages	\$4.9m	
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed	
Annual/LSL liability <sup>2</sup>	Current	\$494,507
	Non-Current	\$94,278
Awards and Agreements	Local Government Officers (Western Australia) Interim Award 2011	
Age profile	The average age of current employees is 38 years	
Years of Service	The average length of service is 1.5 years	

### 7.2 Workforce Demographics

The current age distribution is fairly evenly spread, however 65% of the total workforce in the Shire is under 45 years, as shown in the chart below. This includes full time, part time and casual staff.

Detailed levels of staff by directorate and functional area are included at Appendix D.

### 7.3 Workforce by Age and Gender



### 7.4 Turnover Rate

Over the period 2015/16 to 2019/20 the average annual turnover rate is 35%.

In light of the remote location and size of the workforce this rate is not considered to be of concern. Ongoing monitoring of this rate will assist the organisation with future planning.

### 7.5 Workforce Supply Demand Analysis

In meeting future challenges, the Shire continually reviews its core functions in terms of potential outsourcing, insourcing and collaborations. This is further discussed in Appendix D.

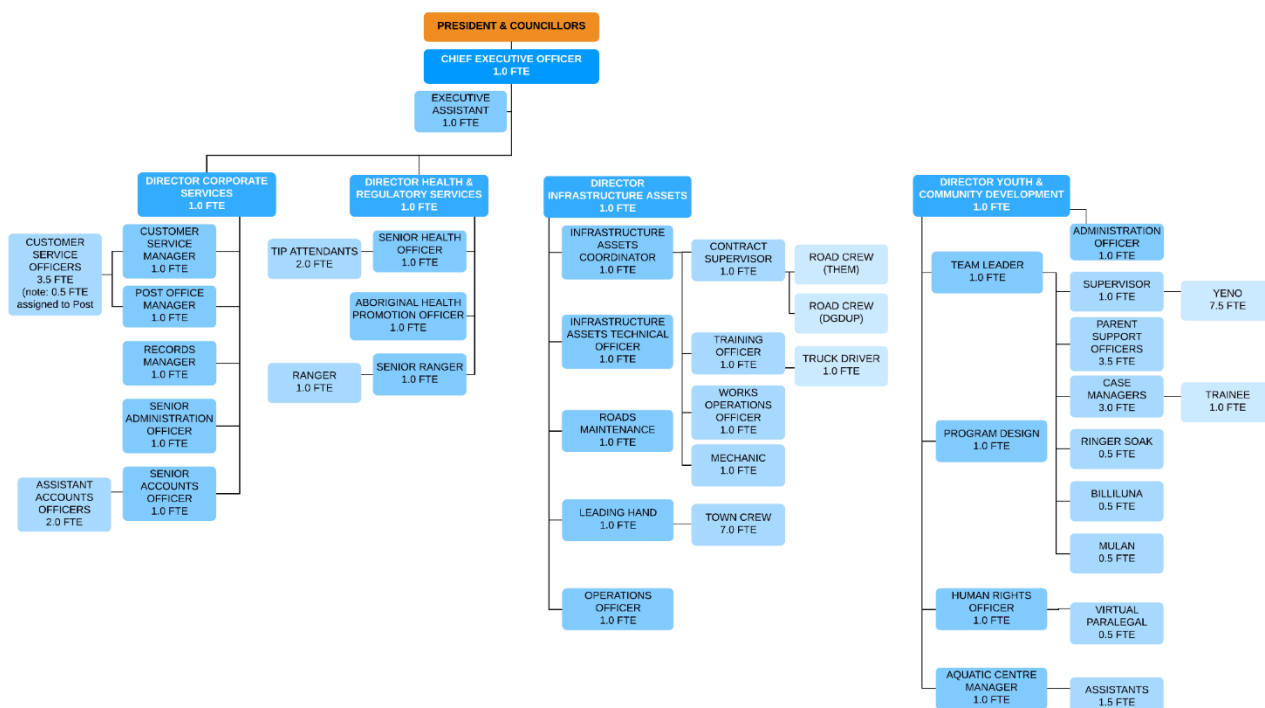
<sup>2</sup>Shire of Halls Creek 2019-20 Annual Financial Statements



# 7.0 Workforce Planning Overview (Continued)

## 7.6 Organisation Structure

The organisational structure is a dynamic process and needs to be developed in accordance with changing priorities and considering the difficulty in attracting and retaining suitably qualified employees to the Shire, however the current structure is not expected to change significantly during the term of this Plan.



## 7.8 Planning for the Future

Workforce planning is further detailed in Appendix D, including risk mitigation strategies and future planning. The Shire has a key focus on retaining a road maintenance crew to provide employment opportunities to the local community. Due to the significant service provision and major projects planned for the duration of this Plan, and beyond, this planning is key to delivery.

## 7.7 Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category <sup>3</sup>
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High
Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	Moderate
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	Moderate
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	Moderate
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Low
Long leave absences of key staff due to large accrued leave entitlement	Unlikely	Minor	Minor	Minor	Low

<sup>3</sup> Appendix A – Risk Assessment Methodology

# 8.0 Scenario Modelling

## 8.1 Scenario Modelling

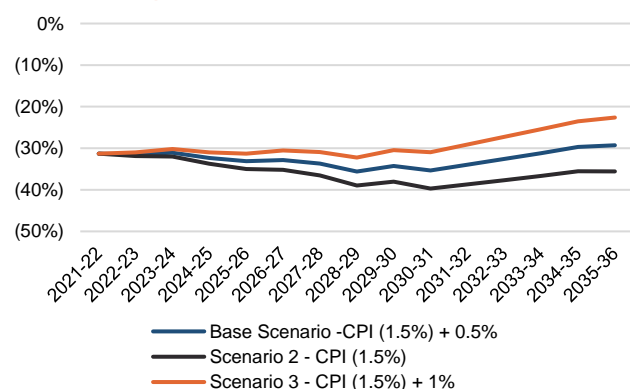
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased funding levels, modelling of various scenarios was undertaken. To ascertain the effect of reduced funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with rates yield 0.5% above inflation (1.5%) from 2022/23 for the remainder of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates	
	Increase above CPI (1.5%)	Total Increase
Base Scenario	0.50% (2022/23 on)	2.0%
Scenario 2	0%	1.5%
Scenario 3	1%	2.5%

The base scenario was selected as the most appropriate and has been used for the Plan. The base scenario includes levels of rate revenue and fees and charges to ensure the current levels of service are maintained.

## 8.2 Scenario Comparison – Operating Surplus Ratio



The chart above shows the impact of the same change in total rates yield on the Shire's Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it maintains existing rating levels.

The chart below reflects the impact of a change in total rates yield on the estimated surplus (deficit) at June 30 from the base scenario (other assumptions remaining the same).

### 8.1.2 Estimated Surplus (Deficit) June 30 Carried Forward

The cumulative impact of the changes in rates along with fees and charges results in the surplus (deficit) shown in the table below.

	Estimated Surplus/(Deficit)		
	Base Scenario	Scenario 2 CPI 1.5% \$	Scenario 3 CPI 1.5%+ 1% \$
2021/22	0	0	0
2022/23	0	(14,853)	14,853
2023/24	0	(45,375)	45,525
2024/25	0	(92,413)	93,024
2025/26	0	(156,846)	158,399
2026/27	0	(239,583)	242,747
2027/28	0	(341,568)	347,210
2028/29	0	(461,894)	472,980
2029/30	0	(601,011)	621,298
2030/31	0	(759,544)	793,456
2031/32	0	(938,131)	990,801
2032/33	0	(1,137,428)	1,214,735
2033/34	0	(1,358,107)	1,466,719
2034/35	0	(1,600,859)	1,748,272
2035/36	0	(1,866,392)	2,060,976



# 9.0 Strategic Planning and Policies with Other Plans

## 9.1 Linkage

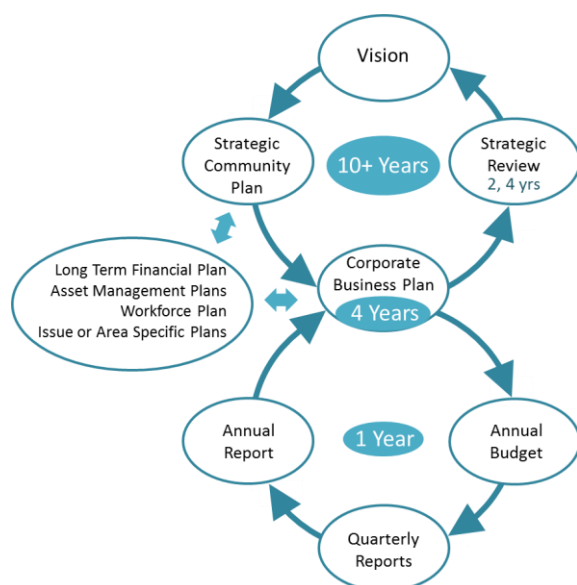
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other key strategic plans. This Strategic Resource Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

Development of the Plan has also been influenced by the Department's Integrated Planning Framework and Guidelines.

## 9.2 Strategic Documents Linkage

This Plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in the Shire's Strategic Community Plan, as illustrated in the diagram below.

Diagram: Integrated Planning and Reporting Cycle<sup>4</sup>



## 9.3 Strategic Community Plan 2015 - 2025

The Strategic Community Plan has been prepared to cover a minimum period of 10 years and set out the community's vision, aspirations and objectives for the Shire. To achieve the vision, a series of priorities, objectives and strategies were developed. Many strategies may be required to achieve a single objective and many objectives needed to achieve a single priority.

Individual strategies all require actions involving extra human, physical and financial resources. Achieving the Shire's strategic priorities requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling four-year basis.

## 9.4 Corporate Business Plan

The Corporate Business Plan contains details of the actions and resources (human, asset and financial) to achieve each strategy and acts as an organisational guide for the Council and management.

The financial capacity and asset management practices to support the Corporate Business Plan are set out in the Strategic Resource Plan for the period. This planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next four years and highlights the long term consequences of the application of resources to undertake various projects.

## 9.5 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans integrate with the Strategic Resource Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Shire's assets and financial resources. As far as possible, these requirements are met in the Plan.

The Shire's Workforce Plan has been considered in the development of this Strategic Resource Plan. No financial impacts are expected from the Workforce Plan with employee costs forecast to rise 0% above forecast inflation of 1.5%.

<sup>4</sup> Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

# 10.0 Risk Management

## 10.1 Risk Management

The Shire provides a diverse range of services and facilities to the general public which exposes it to risks. As part of the implementation of Integrated Planning and Reporting, the Shire intends to formalise its risk based management practices to improve the management of identified risks.

The Shire has a practice of conducting a regular review of insurance levels of assets by the Chief Executive Officer to ensure the level is adequate. The Shire's insurer is LGIS.

The Financial Management Regulations require the investment of surplus funds (including cash reserves) to be in term deposits held by authorised deposit taking institutions or Treasury bonds.

The Shire seeks to engage experienced and qualified personnel in areas of high risk and provides them with appropriate ongoing training and equipment to ensure they are able to undertake their roles with minimal risk to the community and the Shire.

## 10.2 Certainty of Assumptions

Included in the Plan is a detailed analysis of the assumptions used as part of the planning process and the level of risk associated with each assumption.

The impact of the assumptions applied to issues identified as carrying a high risk have been separately disclosed, as has the sensitivity of movements in these assumptions on the financial forecasts set out in this Plan.

## 10.3 Sensitivity Analysis

Where an assessment has been made that a high level of uncertainty applies to the assumptions, sensitivity analysis has been used to help quantify the potential financial impact of a change in the assumption.

Assumptions with a high level of uncertainty and a higher dollar value present the greatest risk that a movement will result in unexpected and detrimental consequences. The details of this analysis are shown adjacent to each assumption on the following pages.

# 11.0 Assumptions, Risks, Uncertainties and Sensitivity

## 11.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>District Growth in Population:</b> The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Rates Level Increase:</b> Annual rates have been based on an increase in the total rate yield of 2% from 2022/23 onwards, 0.5% above forecast inflation rate of 1.5%.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Operating Grants and Contributions:</b> Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$754,381 to the value of operating grants and contributions per 1% movement in the value in the first year of the Plan.
<b>Non-operating Grants and Contributions:</b> Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$187,299 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
<b>Fees and Charges:</b> Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Interest Earnings:</b> Interest earning of an average rate of 2% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Revenue:</b> Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Profit on Asset Disposal:</b> Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

# 11.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 11.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Employee Costs:</b> Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Materials and Contracts:</b> Increased annually by forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$269,906 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to the costs to address impacts of the COVID-19 Pandemic.
<b>Depreciation:</b> Depreciation has been calculated using an average depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Insurance:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Expenditure:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Loss on Asset Disposal:</b> A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

# 11.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 11.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Revaluations:</b> In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$296,991 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$970,790 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
<b>Impairment of Assets:</b> No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
<b>Infrastructure Assets:</b> Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$187,299 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
<b>Property, Plant and Equipment:</b> Building expenditure is in accordance with the 10 Year Capital Plan, and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

# 11.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 11.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Borrowings:</b> New borrowings to be considered for capital works where required.	High	If the Shire is not able to secure borrowings in the future, the likely impact will be the cancellation or postponement of related asset acquisitions leading to a reduction in service levels over the short to medium term.	Low	Not assessed as high level of uncertainty.
<b>Employee Entitlements:</b> It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

# 11.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 11.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Cash Backed Reserves:</b> It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Revaluation Surplus:</b> Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$296,699 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan.

# 11.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 11.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Ownership of Strategic Assets:</b> The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
<b>Inflators:</b> Forecast inflation at 1.5% per annum.	Medium	Not assessed as high financial risk.	High	± \$2,004,949 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$2,247,472 to operating expenditure per 1% movement in the inflators over the life of the Plan.
<b>Commercial Activities:</b> The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for State:</b> The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for Region:</b> Historically, the region's economy is heavily dependent on tourism and this remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.



# 12.0 Monitoring and Performance

## 12.1 Monitoring

The Plan will be the subject of a desktop review each year to consider changing circumstances, with a full revision scheduled every two years in line with the review of the Strategic Community Plan.

Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios.

## 12.2 Ratio Targets

A series of performance indicators, in the form of financial ratios set out in the table below, have been used to assess the financial performance of the Shire.

To maintain comparability across the industry, these ratios and their respective target ranges, have been derived from the Department's Long Term Financial Planning guidelines and *Regulation 50 of Local Government (Financial Management) Regulation 1996*.

The Department's Advisory Standard also provides target levels for each of the ratios.

Ratio	Calculation	Indication	Minimum target
Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$	A measure of the Shire's immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.	1.
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$	A measure of the extent to which own source revenues raised cover operational expenses.	1%
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$	A measure of the extent of the Shire's ability to cover costs using only discretionary revenue.	40%
Debt Service Coverage Ratio	$\frac{\text{Annual operating surplus before interest and depreciation}}{\text{principal and interest}}$	A measure of the extent of the Shire's capacity to generate sufficient cash to cover debt payments.	3
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciation assets}}$	A measure of the aged condition of the Shire's physical assets.	50%
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$	A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.	90%
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$	The Shire's financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the ten years forecast expenditure and as such is only able to be calculated of the first five years of the Plan).	75%

# 13.0 Improvement Plan

## 13.1 Strategic Resource Improvement Plan

All strategic plans require continuous development in order to improve the quality of planning. The following asset management areas are suggested as worthy of focus in the future.

*Road Asset data:* Road asset data requires review to better reflect the estimated remaining life of each unsealed road sector.

*Hierarchy:* A hierarchy exists for road assets and should be further developed for other asset classes.

*Level of Service:* Level of service measures were defined within the previous Asset Management Plan. No systems are currently in place to record and report against these levels of service.

*Risk Management:* Risk management is used as a decision making tool to define and treat risks facing the Shire when seeking to meet its defined objectives. The Shire is in the very early stages of utilising risk techniques. As risk management is developed, a greater understanding of risks will be formalised.

*Operation and Maintenance:* The Shire does not have a current documented Operation and Maintenance Strategy.

*Renewal and Replacement:* A key component of understanding long term asset funding requirements is determination of the extent and timing of likely costs to refurbish or replace an asset in future in order to maintain a consistent level of service to the community. Constant review and improvement to these forecasts is likely to result in improved planning outcomes.

*New, Upgrade and Disposal:* The Shire does not have a current documented Capital Investment Plan to address future asset demands or Asset Disposal Plan (other than the disposal of plant and equipment).

*Standard Useful Life Estimates:* Improvements in road asset records should enable better estimation of standard useful lives of road assets components based on the method of construction used.

There are a number of improvement actions as per the Asset Management Improvement Plan, some key improvement actions resulting from this Strategic Resourcing Plan are to:

- Report levels of service for key assets;
- Improve the accuracy of future financial forecasts through improved forecasting of operational, maintenance, renewal, new and upgrade costs; and
- Maintain formal asset maintenance and renewal programs for all assets.

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# Appendix A1 Critical Assets

## 1.1 Description

Along with regional and local distributor roads, a number of other assets have been nominated as critical to the Shire providing services to the community. These assets will be prioritised when allocating annual funding to help ensure they are maintained to an acceptable condition.

A list of these assets (excluding roads) is provided below along with their relevant estimated current replacement cost.

Maintenance requirements for these assets will be identified annually and prioritised through the Annual Budget cycle.

Road assets are discussed further in Appendix A2 with regional and local distributor roads being given funding prioritisation over other road assets as required.

Asset	Current Replacement Cost (\$)
Administration Office	343,400
Community Recreation Centre and Aquatic Centre	8,672,494
Depot	906,270

# Appendix A2 Infrastructure - Roads

## 2.1 Significant Matters

The continued provision of the road network remains one of the key priorities for the Shire. A number of rural roads within the Shire are currently utilised as key remote access and tourist routes. This has resulted in these roads requiring a higher level of design than currently exists and a major program is underway to seal the Tanami Road and raise the level and improve drainage on the Duncan Road to minimise the impact of flooding. The continued planning for future road infrastructure renewals, influenced by condition based estimation of the remaining useful life, is not currently considered important due to the extent of road upgrades currently planned. These upgrades to provide better service to the community, will be given funding prioritisation over other road assets.

## 2.2 Road Inventory

The Shire of Halls Creek has a road network servicing an area of 133,061<sup>1</sup> square kilometres.

Road assets within this Plan include the following components:

- Culverts
- Flood ways
- Formed subgrade
- Kerbing
- Sealed pavement
- Signs
- Surfacing
- Underground pipe
- Unformed subgrade
- Unsealed pavement

Road asset information is recorded within a road inventory database and was extracted in March 2020, verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken. The extent of road works significantly modifying the road inventory has resulted in limited reliance on the road asset data to guide planning outcomes.

Utilising the dimension data held in the Shire's road asset database along with standard unit rates, the current replacement cost provided in the road infrastructure inventory system, has been estimated by management in the table on the right.

The following table details the components, segregated by the type of seal.

Infrastructure Roads Assets	Current Replacement Cost (\$)
Shire Roads Formed Subgrade	2,580,454
Shire Roads Unformed Subgrade	959,768
Shire Roads Unsealed Base	2,585,674
Pavement Under Seal	2,843,750
Seal Surfacing	914,781
Underground Drainage	1,300,862
Culverts	2,789,358
Flood Ways	7,818,174
Footbridge	33,666
Kerbing	1,203,625
Signs	126,373
Stock Grids	1,696,771
Street Lighting	68,679
<b>Infrastructure Roads Total</b>	<b>24,921,937</b>

<sup>1</sup> Australian Bureau of Statistics Halls Creek (S) (LGA53920) 2016 Census of Population and Housing, viewed 3 April 2020

# Appendix A2 Infrastructure - Roads (Continued)

## 2.3 Financial Summary

Financial impacts of managing the Shire road assets are broken down into maintenance, new and renewal expenditure, each of which is examined separately as follows.

### 2.3.1 Maintenance Expenditure

Road maintenance expenditure includes maintenance of associated infrastructure such as drainage and footpaths. Road maintenance expenditure is primarily related to the grading of unsealed roads and associated drainage clearing within the district, along with reactionary minor repair works and minor flood damage repairs. As far as possible the road maintenance program is scheduled annually, based on staff knowledge of road conditions and expected traffic volumes.

Road maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2020-21.

### 2.3.2 Maintenance Expenditure by Nature or Type

Expenditure Nature or Type	\$
Employee costs	18,220
Materials and contracts	1,717,077
Insurance expenses	4,850
<b>Road Maintenance Total</b>	<b>1,740,147</b>

### 2.3.3 New Expenditure

Road safety related projects will be prioritised where issues are identified. External grant funding is essential to achieve any safety upgrades and road upgrades.

Road Project	\$
Duncan Rd	3,700,000
Balgo Mission Rd	1,600,000
Carranya Rd	1,520,000
Lake Gregory Rd	400,000
Springvale Lansdowne Rd	3,350,000
Tanami Rd	3,760,000
<b>Road Upgrade Expenditure</b>	<b>14,330,000</b>

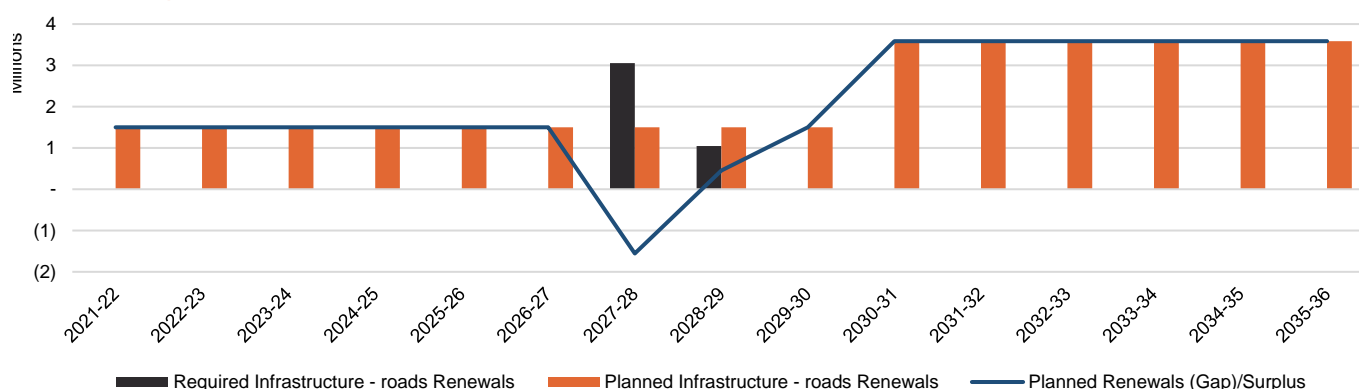
### 2.3.4 Renewal Expenditure

Road works are prioritised based on staff knowledge of the conditions of roads and expected usage patterns and this is conducted during the budget process. All planned works are funded through a combination of internal funds and external grants.

In the chart below, planned road expenditure is shown as orange columns, with required road renewals as the black columns. The blue line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$35.01m. Required road renewal is calculated at \$4.10m for the term, overall there is a \$30.90m renewal surplus for the Shire's road assets.

The chart below reflects the required road asset renewals be undertaken in 2027/25 and 2028/29. Planned renewal is spread across the term to mitigate this spike. This is discussed further over the page.

### 2.3.5 Required v Planned Asset Renewals



# Appendix A2 Infrastructure - Roads (Continued)

## 2.4 Forecast Planned and Required Road Renewal Expenditure

The level and extent of the renewal surplus is dependent on the accuracy of unit cost estimates and remaining useful life estimates for each road component. An improvement in this information once current upgrade works are complete will result in improved planning outcomes and enable the scheduling of works to minimise the negative impact of renewal spikes.

One of the largest impacts on road component lives is the volume and weight of traffic traversing a road length. Where this exceeds the roads construction capabilities, sudden unexpected road failure may occur. Whilst road renewals may be forecast based on the age and condition of the asset, expected traffic volumes and weights are an important factor and difficult to forecast within Western Australian rural areas.

The values represented in the chart on the previous page are detailed in the table below.

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2021-22	0	1,500,000	1,500,000
2022-23	0	1,500,000	1,500,000
2023-24	0	1,500,000	1,500,000
2024-25	0	1,500,000	1,500,000
2025-26	0	1,500,000	1,500,000
2026-27	0	1,500,000	1,500,000
2027-28	0	1,500,000	1,500,000
2028-29	3,055,102	1,500,000	(1,555,102)
2029-30	1,045,951	1,500,000	454,049
2030-31	0	1,500,000	1,500,000
2031-32	0	3,585,000	3,585,000
2032-33	0	3,585,000	3,585,000
2033-34	0	3,585,000	3,585,000
2034-35	0	3,585,000	3,585,000
2035-36	0	3,585,000	3,585,000
<b>Total</b>	<b>4,101,053</b>	<b>35,010,000</b>	<b>30,908,947</b>

Many assumptions have been utilised in arriving at the remaining useful life of each individual road asset by the external valuers. Remaining useful life of sheeted roads has not been determined by measurement of the remaining level of sheeted material with an annual rate of where applied but has rather been based on a worst-case estimate. For this reason, management has not planned to replace the unsealed roads in accordance with the valuation information.

Asset preservation for the road network remains a key priority for the Council and ensuring appropriate funds are available to renew the road network when required is a key consideration of all planning.

# Appendix A2 Infrastructure - Roads (Continued)

## 2.5 Level of Service

Level of service measures have not been routinely recorded or reported on. Detailed performance measures and performance targets for road construction and maintenance have been developed through the review of the previously identified road level of service indicators and are shown in the following tables.

Speed and weight ratings of the road network are considered the best overall indicator of the level of service of the road network as a whole.

## 2.6 Road Construction

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Gravel Road Construction</b>			
Condition	Gravel roads are constructed to a high standard.	Customer complaints.	One complaint per road per year.
Safety	To ensure that all roads are being constructed in a safe manner and road is made safe and signed correctly when unmanned.	Customer complaints.	One per road.
		Number of damage/injury claims.	0 claims.
Cost Effectiveness	Efficient capital works program.	Projects completed within the timeframe and on budget.	100% completed within timeframe and on budget.
<b>Bitumen Road Construction</b>			
Condition	Bitumen roads are constructed to a high standard.	Customer complaints.	One complaint per road per year.
Safety	To ensure that all roads are being constructed in a safe manner and road is made safe and signed correctly when unmanned.	Customer complaints.	One per road.
		Number of damage/injury claims.	0 claims.
Cost Effectiveness	Efficient capital works program.	Projects completed within the timeframe and on budget.	100% completed within timeframe and on budget.



# Appendix A2 Infrastructure - Roads (Continued)

## 2.7 Road Maintenance

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Gravel Road Maintenance</b>			
Condition	Gravel roads are maintained to a high standard and on a regular basis. Drainage is also assessed in order to minimise the risk of flooding and damage.	Customer complaints.	One complaint per road per year.
		Routine road inspection.	One complaint per year with managers.
Function	To ensure that all gravel roads are maintained in order to provide a useable and safe transport network for users in all weather conditions.	Customer complaints.	One complaint per road per year.
	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a gravel road network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient roads maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.
<b>Bitumen Road Maintenance/Drainage</b>			
Condition	Bitumen roads are maintained to a high standard and on a regular basis. Drainage is also to be assessed and drains cleaned in order to minimise the risk of flooding and damage.	Customer complaints.	One complaint per road per year.
		Routine road inspection.	Two per year with managers.
Function	To ensure that all bituminised roads are maintained in order to provide a useable and safe transport network for users in all weather conditions.	Customer complaints.	One complaint per road per year.
	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a bituminised road network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient roads maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.

# Appendix A2 Infrastructure - Roads (Continued)

## 2.8 Risk Management

An assessment of risks associated with the delivery from road assets has identified the following risks and treatment strategies.

Risk	Consequence	Risk Rating	Risk Treatment
Asset condition decreases due to flood damage.	Desired level of service not maintained.	Medium	Ensure adequate drainage in road design and maintenance to mitigate risk of flood damage.
Climate change.	Likelihood of severe storm damage increases.	Medium	Consider climate change when managing assets.
Significant unforeseen increases in maintenance or renewal costs.	Desired level of service not maintained.	Medium	Monitor costs and adjust long-term plans accordingly.
Asset condition decreases due to inadequate renewal program.	Desired level of service not maintained.	Medium	Determine maintenance priorities based on lifecycle cost.
Sudden significant changes in population.	Sudden increase in level of service requirements.	Medium	Monitor population trends and industry developments in the region.
Asset condition decreases due to inadequate maintenance program.	Desired level of service not maintained.	Low	Determine maintenance priorities based risk assessment and lifecycle cost.
Traffic incident attributable to sub-standard road conditions or road layout.	Liability risk.	Low	Ensure road network is maintained in compliance with applicable standards.
Health and safety incident whilst working on assets causing fatality or serious injury.	Prosecution risk.	Low	Ensure Council has compliant Health and Safety policy. Ensure staff and contractors are trained in policy and all procedures are complied with.
Trip incident attributable to sub-standard footpath conditions.	Liability risk.	Low	Footpath network is maintained in compliance with applicable standards and inspected annually.

## 2.9 Improvement

Monitoring and reporting of the key performance measures is important to help ensure levels of service are maintained.

Continued improvement in the knowledge of the road network (including road conditions) and forecasting of road renewal timing and costs is essential for managing the road network. As renewal timing and cost forecasting improves, opportunities for efficiency gains may be identified and included within future plans.

Monitoring of actual renewal costs against estimated renewal costs will improve the accuracy of future unit cost estimates. Routine monitoring of traffic volumes and road conditions will further improve the ability of the Shire to forecast future road renewal priorities.

# Appendix A3 Buildings

## 3.1 Significant Matters

The Shire controls building assets which are vital to the provision of administrative and recreational facilities to the community.

The long life and high cost of renewing buildings results in significant spikes in future funding requirements as a building reaches a stage in its lifecycle when it can no longer provide the desired level of service. New design criteria usually result in buildings being constructed to a different standard on renewal which often results in the need for additional funding. Planning for adequate future funding of building renewals is one of the most significant long-term challenges for the Shire as it seeks to preserve assets for future generations.

## 3.2 Inventory

Land and buildings were valued by independent professional valuers in 2020, based on an inspection undertaken. The replacement costs of major buildings contained within the valuation report is shown in the table to the right. A building inventory is maintained within the Shire's financial management system.

## 3.3 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost (\$)
Amenities	491,000
Cemetery	35,700
Community Facilities	5,430,500
Depot	786,169
Housing	9,593,000
Office	2,336,941
Racecourse	121,600
Recreation Centre	7,195,267
Airport	80,969
Aquatic Equipment	310,626
Oval – Pavilion and Boxing Ring	406,000
Refuse Site	82,670
Shire Building – Lot 88	214,500
<b>Buildings Total</b>	<b>27,084,942</b>

# Appendix A3 Buildings (Continued)

## 3.4 Financial Summary

The financial impacts of managing the Shire building assets has been broken down into maintenance, new and renewal expenditure, each of which is examined separately.

### 3.4.1 Maintenance Expenditure by Program

Routine maintenance expenditure is forecast to increase in line with inflation. A detailed building maintenance plan has been developed to help ensure buildings are maintained at a level to maximise their useful life and minimise the need to renew entire building structures.

Expenditure Program	\$
Community amenities	174,610
Economic services	28,720
Education and welfare	16,182
Governance	10,500
Other property and services	193,275
<b>Building Maintenance Total</b>	<b>423,287</b>

### 3.4.2 New/Upgrade Asset Expenditure

No additional items are forecast to be required over the life of this Plan.

### 3.4.3 Renewal Expenditure

Using the estimated remaining useful life and the 'reinstatement with new' values provided in the independent valuation report, the timing and extent of future required property renewals has been forecast (adjusted for inflation). Whilst the valuation indicates the required renewal timings, given the forecast level of planned maintenance, building assets are expected to last well beyond the indicated renewal timings.

Maintaining borrowing capacity or funds in an appropriate reserve is important to ensure funds are available in future years when buildings are required to be renewed due to the high level of expenditure in renewing building assets.

### 3.4.4 Forecast Planned and Required Building Renewal Expenditure



The table below details the required building renewal as per the latest building valuations. The spikes in planned renewals in 2025/26 and 2028/29 are due to replacement of staff housing accommodation.

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2021-22	0	0	0
2022-23	0	0	0
2023-24	0	0	0
2024-25	0	0	0
2025-26	0	2,000,000	2,000,000
2026-27	0	0	0
2027-28	0	0	0
2028-29	70,844	2,700,000	2,629,156
2029-30	0	0	0
2030-31	11,605	0	(11,605)
2031-32	0	0	0
2032-33	0	0	0
2033-34	499,376	0	(499,376)
2034-35	0	0	0
2035-36	412,109	0	(412,109)
<b>Total</b>	<b>993,934</b>	<b>4,700,000</b>	<b>3,706,066</b>

# Appendix A3 Buildings (Continued)

## 3.5 Level of Service

Detailed performance measures and performance targets for buildings are defined in the table below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Condition	The building's meets the expectations of the community.	Customer complaints.	One per year per building.
Function	To provide the communities with a facility that can be utilised for the purpose it was designed for.	Customer complaints.	One per year per building.
Safety	The building is safe and suitable for its intended use.	Number of injury claims	0 claims.

## 3.6 Risk Management

An assessment of risks associated with maintaining an inventory of building assets has identified the following risks and the treatment strategy for each risk.

Risk	Consequence	Risk Rating	Risk Treatment Plan
Public Liability incident attributable to sub-standard property conditions or property layout.	Liability Risk.	Medium	Ensure property assets are maintained in compliance with applicable standards.
Climate Change.	Likelihood of severe storm damage increases.	Medium	Consider climate change impacts when designing and managing assets.
Significant unforeseen increases in maintenance or renewal costs.	Desired level of service not maintained.	Medium	Monitor costs and adjust long-term plans accordingly.
Asset condition decreases due to inadequate renewal program.	Desired level of service not maintained.	Medium	Determine maintenance priorities based risk and on lifecycle cost.
Asset condition decreases due to inadequate maintenance program.	Desired level of service not maintained.	Low	Determine maintenance priorities based risk assessment and lifecycle cost.
Sudden significant increase in population.	Sudden increase in level of service requirements.	Low	Monitor population trends and industry developments in the region.
Health and safety incident whilst working on assets causing fatality or serious injury.	Prosecution risk.	Low	Ensure council has compliant Health and Safety policy. Ensure staff and contractors are trained in policy and all procedures are complied with.

## 3.7 Improvement

Improving asset management planning for buildings is not currently viewed as a priority, as risks are able to be managed through annual planning and improvements are limited by funding availability. Demand for building assets is expected to remain relatively stable into the future.

Enhanced monitoring and reporting of the key performance measures is important to help ensure the adequate maintenance of the Shire's building assets.

# Appendix A4 Infrastructure - Other

## 4.1 Significant Matters

The Shire controls a number of other infrastructure assets which are significant to our community.

The nature of these assets is one of changing requirements due to community expectations and will require further analysis to fully consider future funding requirements as individual assets require expenditure.

Availability of grant funding will significantly impact the timing and extent of expenditure on these assets.

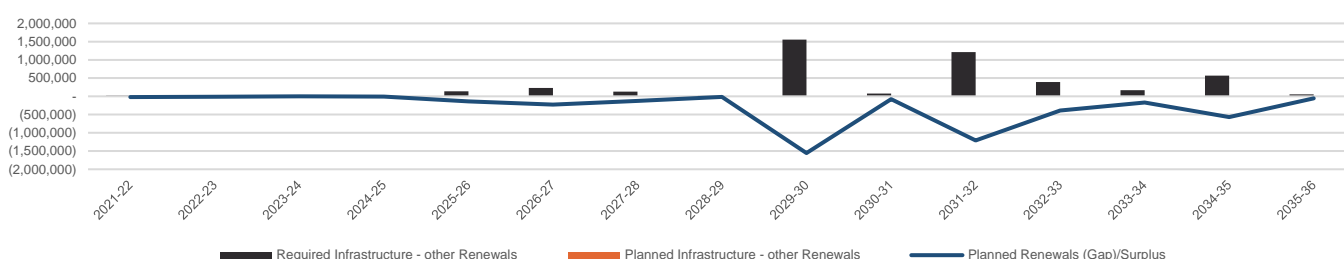
## 4.2 Inventory

The Shire's other infrastructure assets current replacement cost at the time of valuation at 30 June 2020 was \$5,83m.

### 4.2.1 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets

Other Assets	Current Replacement Cost (\$)
Airport Infrastructure	349,900
Waste Collection – RV Dump	24,259
Carparks	283,976
Community Facilities	153,300
Basketball Courts	160,000
Depot Facilities	42,000
Lighting infrastructure	267,800
Monitoring Bore	92,500
Pound	21,369
Reticulation	613,268
Airport Runway, Taxiway, Apron	2,973,470
Stone Seating	256,500
Security	337,859
Sheds	28,600
Shelter	13,500
Public Conveniences	177,000
Refuse Site	43,200
<b>Infrastructure - Other Assets Total</b>	<b>5,838,501</b>

### 4.2.2 Required v Planned Infrastructure Renewals -Other



## 4.3 Financial Summary

The financial impact of managing the Shire's other infrastructure assets is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

### 4.3.1 Maintenance Expenditure

Other infrastructure assets maintenance expenditure is forecast to increase in line with inflation.

### 4.3.2 New Expenditure

No additional items are forecast to be required over the life of this Plan.

### 4.3.3 Renewal Expenditure

Required other infrastructure asset renewals over the next 15 years have been forecast. Minor asset renewals will be determined and funded within the annual budget cycle. Renewal of other infrastructure assets will be considered on a case by case basis at the time the asset is viewed as requiring renewal.

In the chart below, planned expenditure is shown as the orange columns (as detailed above planned renewals are not currently modelled, however will be considered as required), with forecast required renewals shown as the black columns. The blue line shows the variation between the two levels.

# Appendix A4 Infrastructure – Other (Continued)

## 4.4 Level of Service

Detailed performance measures and performance targets for other infrastructure assets are defined in the table below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Condition	Well maintained community facilities.	Customer complaints.	Under 5 per year
	Community satisfaction with asset.	Community survey.	90% satisfaction
Function	Fit for purpose.	Customer complaints.	Under 5 per year
	Community importance with asset.	Customer survey.	90% satisfaction
Safety	To ensure that any maintenance issues or hazards are dealt with promptly.	Issue or hazard is dealt with within one working day of notification. If hazard is serious to be addressed within 2 hours of notification.	95% addressed

## 4.5 Improvement

The improvement of asset management planning for other infrastructure assets is not currently viewed as a priority as risks are able to be managed through annual operational planning.

# Appendix A5 Plant and Equipment

## 5.1 Significant Matters

The Shire has a large furniture, plant and equipment portfolio which includes items such as graders, tractors, prime movers and passenger vehicles. It also owns an extensive listing of furniture and equipment, such as office furniture, IT and communication equipment, to support operations.

A 15 year plant replacement program is updated on an annual basis as part of the Shire's annual budget process. Heavy plant is considered a critical asset, given the part it plays in responding to any natural emergency within the Shire.

## 5.2 Inventory

The table below separates the Shire's plant and equipment into the major asset types and shows the current replacement cost as per the Shire's internally produced plant replacement program. A register of plant and equipment is maintained within the financial reporting system.

### 5.2.1 Composition of Estimated Current Replacement Cost of Plant and Equipment Assets

Asset	Current Replacement Cost \$
Furniture and Equipment	270,760
Accommodation	670,177
Graders	648,133
Heavy Vehicle	1,762,065
Light Vehicle	1,165,453
Sundry Plant	138,552
Loaders	845,787
Bowser	106,985
Excavator	197,853
Forklift	10,000
Fuel Pod	121,950
Mowers	150,500
Rollers	711,520
Tractors	551,216
Trailers	918,277
<b>Total</b>	<b>8,269,227</b>

## 5.3 Financial Summary

The financial impacts of managing the Shire plant and equipment assets is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

Maintenance is undertaken in accordance with manufacturers' guidelines and is provided for within the annual budget and this Plan. No significant changes to maintenance or operating expenditure are forecast.

### 5.3.1 New Expenditure

The current fleet of plant and equipment is forecast to maintain the requirements of the Shire and no additional items are forecast to be required over the life of this Plan.

### 5.3.2 Renewal Expenditure

The Shire does not have a replacement/renewal or maintenance program for furniture and equipment. Furniture and equipment purchases are considered on an annual basis as part of the Shire's annual budget allocations and are not planned in detail.

The plant replacement program is updated annually and is expected to remain fully funded by annual allocations to the Plant Replacement Cash Reserve.

The Plan has annual allocations for plant replacement expenditure based on the adopted program. In the chart on the following page at 5.3.4, planned expenditure is shown as the orange columns with required renewals shown as the black columns. The blue line shows the variation between the two expenditure levels.

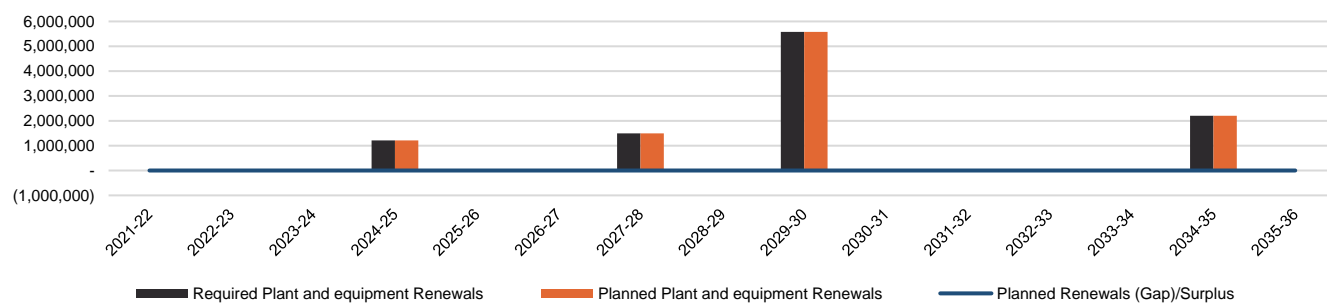


# Appendix A5 Plant and Equipment (Continued)

## 5.3.3 Forecast Planned and Required Plant and Equipment Renewal Expenditure

The chart below reflects the Plant Replacement Program has been aligned with the estimated useful life of plant and equipment.

## 5.3.4 Required v Planned Asset Renewals - Plant and Equipment



## 5.3.5 Plant Disposals

This Plan incorporates the Shire's 15 year Plant Replacement Program. The Plant Replacement Program outlines the purchase, disposal and funding elements for plant and equipment.

# Appendix A5 Plant and Equipment (Continued)

## 5.4 Level of Service

Level of service measures are defined below.

Detailed performance measures and performance targets for plant and equipment replacement and maintenance are defined in the following table.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Fleet Management</b>			
Function	To ensure Council employees are able to meet Council requirements.	Council plant and equipment is serviceable for all Council programs.	90% satisfaction.
	To ensure that Councils Capital Works Program is completed.	Capital Works Program completed on time and within budget.	100% completed and within budget.
	To ensure that any maintenance requirements are carried out.	Maintenance schedule adhered to.	100% completed and on time.
Compliance	All vehicles and plant are operated as they have been designed to do and in a safe manner.	Number of complaints/number of fines.	Two per year.

## 5.5 Risk Management

An assessment of risks associated with holding plant and equipment items has identified the following risks and the treatment strategy for each risk.

Risk Details	Consequence	Risk Rating	Treatment Strategy
Inadequate funding for renewal and maintenance resulting in deterioration of plant and equipment and an increase in maintenance and operating costs.	Desired level of service not maintained.	High	Ensure funding for renewals included within the plant replacement program and budgets.
Existing plant and equipment assets do not comply with regulations.	Prosecution risk.	High	Regular scheduled inspection and maintenance on all plant and equipment. Ensure safety systems in line with regulations.

## 5.6 Improvement Plan

Improving asset management planning for plant and equipment is not currently viewed as a priority as risks are able to be managed through annual operational planning. Demand for plant and equipment assets is expected to remain relatively stable into the future.

# Estimated Asset Life and Residual

The table below lists the estimated useful life and residual value of assets to sub-class level. These values were used to calculate the planned renewal and depreciation of an asset.

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value
Infrastructure - roads	Culverts	60	
Infrastructure - roads	Flood Ways	30	
Infrastructure - roads	Footbridge	30	
Infrastructure - roads	Kerbing	30	
Infrastructure - roads	Pavement Under Seal (Seal	35	
Infrastructure - roads	Seal Surfacing	15	
Infrastructure - roads	Shire Roads Formed Subgrade	100	
Infrastructure - roads	Shire Roads Unformed Subgrade	100	
Infrastructure - roads	Shire Roads Unsealed Base	15	
Infrastructure - roads	Signs	15	
Infrastructure - roads	Stock Grids	60	
Infrastructure - roads	Street Lighting	25	
Infrastructure - roads	Underground Drainage	60	
Land - freehold land		100	100
Buildings		40	
Buildings	Amenities	45	
Buildings	Cemetery	20	
Buildings	Community	35	
Buildings	Depot	20	
Buildings	Housing	40	
Buildings	Office	20	
Buildings	Racecourse	20	
Buildings	Rec Centre	40	
Buildings	Shade	20	
Buildings	Specialised	20	
Infrastructure - other	Airport Infrastructure	15	
Infrastructure - other	Amenities	10	
Infrastructure - other	Carpark	30	
Infrastructure - other	Community	30	
Infrastructure - other	Court	15	
Infrastructure - other	Depot	30	
Infrastructure - other	Lighting	15	
Infrastructure - other	Monitoring Bore	10	
Infrastructure - other	Pound	50	
Infrastructure - other	Reticulation	20	
Infrastructure - other	Runway	20	
Infrastructure - other	Seating	100	
Infrastructure - other	Security	20	
Infrastructure - other	Shed	30	
Infrastructure - other	Shelter	10	
Infrastructure - other	Taxiway	40	
Infrastructure - other	Toilet	20	
Infrastructure - other	Waste Cell	5	

# Appendix A6 Estimated Asset Life and Residual (Continued)

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value
Plant and equipment	Accommodation	20	
Plant and equipment	Bowser	10	15%
Plant and equipment	Excavator	10	15%
Plant and equipment	Forklift	10	15%
Plant and equipment	Fuel Pod	10	
Plant and equipment	Grader	10	15%
Plant and equipment	Heavy Vehicle	10	15%
Plant and equipment	Light Vehicle	5	20%
Plant and equipment	Loader	10	15%
Plant and equipment	Mower	5	
Plant and equipment	Roller	10	15%
Plant and equipment	Street Sweeper	10	15%
Plant and equipment	Sundry	10	
Plant and equipment	Tractor	10	15%
Plant and equipment	Trailer	10	15%
Furniture and equipment		10	

# Appendix B1 Forecast Financial Statements

## Financial Statements

The following forecast financial statements have been prepared and are included at the end of the Plan.

These forecast statements have been prepared within a framework which accords with the Australian Accounting Standards.

The statements have been prepared based on a number of forecasts and estimates, and readers should ensure they have read and understood the reliance section under Other Matters at the end of the document.

## Statements of Comprehensive Income

Often referred to as the operating statement, it shows the revenues and expenses over the periods classified by two methods (by Program and Nature or Type) to disclose a net result.

## Statement of Financial Position

More commonly referred to as the Balance Sheet, this statement discloses the forecast changes in the balance of assets and liability accounts over the periods.

## Statement of Changes in Equity

This statement discloses the changes in equity over the forecast period. It shows the impact of operations on net assets and the movement in cash backed and revaluation reserves.

## Statement of Cashflows

Represents the forecast cash inflows and outflows and discloses the changes to the balance of cash over the period.

## Statement of Funding

A statement combining operating and capital revenues and expenses and discloses the opening and closing net current forecast surplus (deficit) funding position for each year.

## Statement of Net Current Asset Composition

A statement showing how the closing estimated surplus/deficit has been calculated.

## Statement of Fixed Asset Movements

A summary of the impact of the Plan on the value of fixed assets over the period. It discloses the movements in the net value of property, plant, and equipment and infrastructure.

## Statement of Fixed Asset Funding

A summary of the capital expenditure by asset class and the source of funding for each class.

## Forecast Ratios

The forecast ratios required by the regulations and discussed earlier under monitoring and performance.

## Nature or Type

A number of statements in the Plan are disclosed using nature or type descriptors of revenue and expenditure (for example Rates and Employee Costs). This classification is in accordance with Schedule 1 of the *Local Government (Financial Management) Regulation 1996*.

# Appendix B1 Forecast Financial Statements (Continued)

## Service Programs

The Shire provides a wide variety of services to the community in order to achieve its vision and objectives. The following service program descriptions as per the *Local Government (Financial Management) Regulations 1996* are used in the Plan to represent these services, however not all services listed may be provided by the Shire of Halls Creek.

Objectives	Services
<b>Governance</b>	Members of Council Governance – general
<b>General purpose funding</b>	Rates Other general purpose funding
<b>Law, order, public safety</b>	Fire prevention Animal control Other law, order, public safety
<b>Health</b>	Maternal and infant health Preventative services <ul style="list-style-type: none"> <li>- Immunisation</li> <li>- Meat inspection</li> <li>- Administration and inspection</li> <li>- Pest control</li> <li>- Other</li> </ul> Other health
<b>Education and welfare</b>	Pre-school Other education Care of families and children Aged and disabled <ul style="list-style-type: none"> <li>- Senior citizens centres</li> <li>- Meals on wheels</li> </ul> Other welfare
<b>Housing</b>	Staff housing Other housing
<b>Community amenities</b>	Sanitation <ul style="list-style-type: none"> <li>- Household refuse</li> <li>- Other</li> </ul> Sewerage Urban stormwater drainage Protection of environment Town planning and regional development Other community amenities

Objectives	Services
<b>Recreation and culture</b>	Public halls, civic centre Swimming areas Other recreation and sport Television and radio re-broadcasting Libraries Other culture
<b>Transport</b>	Streets, roads, bridges, depots <ul style="list-style-type: none"> <li>- Construction (not capitalised)</li> <li>- Maintenance</li> </ul> Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
<b>Economic services</b>	Rural services Tourism and area promotion Building control Sale yards and markets Plant nursery Other economic services
<b>Other property and services</b>	Private works Public works overheads Plant operation Salaries and wages Unclassified Town Planning Schemes

# Appendix B2 Forecast Statement of Comprehensive Income by Nature or Type

## 2021 – 2036

	2017-18	2018-19	2019-20	Base	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	2,288,935	2,515,642	2,638,468	2,713,344	2,970,553	3,029,964	3,090,563	3,152,374	3,215,422	3,279,730	3,345,325	3,412,231	3,480,475	3,550,085	3,621,087	3,693,509	3,767,379	3,842,726	3,919,581
Operating grants, subsidies and contributions	8,509,147	8,732,764	11,954,975	4,992,886	7,543,818	7,656,975	7,771,829	7,888,405	8,006,733	8,126,832	8,248,733	8,372,467	8,498,053	8,625,526	8,754,909	8,886,231	9,019,526	9,154,819	9,292,144
Fees and charges	1,521,591	1,567,753	1,058,835	5,394,125	907,543	921,159	934,980	949,005	963,239	977,683	992,345	1,007,225	1,022,327	1,037,659	1,053,219	1,069,011	1,085,052	1,101,332	1,117,857
Service charges	4,077	4,160	4,160	3,950	4,009	4,069	4,130	4,192	4,255	4,319	4,384	4,450	4,517	4,585	4,654	4,724	4,795	4,867	4,940
Interest earnings	181,263	258,563	162,125	67,000	88,227	104,888	122,759	142,939	148,807	185,112	222,647	179,691	222,928	157,179	193,221	231,536	271,932	315,246	317,095
Other revenue	203,693	208,772	87,274	305,100	309,679	314,327	319,043	323,830	328,688	333,618	338,621	343,699	348,854	354,089	359,401	364,793	370,265	375,819	381,457
	12,708,706	13,287,654	15,905,837	13,476,405	11,823,829	12,031,382	12,243,304	12,460,745	12,667,144	12,907,294	13,152,055	13,319,763	13,577,154	13,729,123	13,986,491	14,249,804	14,518,949	14,794,809	15,033,074
Expenses																			
Employee costs	(4,205,152)	(4,271,552)	(4,803,902)	(4,885,999)	(4,959,303)	(5,033,698)	(5,109,205)	(5,185,845)	(5,263,636)	(5,342,585)	(5,422,719)	(5,504,060)	(5,586,609)	(5,670,410)	(5,755,465)	(5,841,799)	(5,929,429)	(6,018,365)	(6,108,637)
Materials and contracts	(5,876,424)	(4,860,111)	(9,061,353)	(2,154,011)	(1,617,956)	(1,642,235)	(1,666,860)	(1,691,861)	(1,717,265)	(1,743,012)	(1,769,140)	(1,795,651)	(1,822,541)	(1,849,914)	(1,877,658)	(1,905,817)	(1,934,437)	(1,963,444)	(1,992,857)
Utility charges	(523,234)	(554,271)	(622,705)	(532,080)	(540,101)	(548,203)	(556,443)	(564,785)	(573,272)	(581,843)	(590,569)	(599,448)	(608,417)	(617,554)	(626,845)	(636,239)	(645,794)	(655,508)	(665,323)
Depreciation on non-current assets	(6,278,697)	(5,001,553)	(5,328,439)	(5,338,000)	(4,923,765)	(5,057,191)	(5,172,144)	(5,366,201)	(5,485,768)	(5,627,480)	(5,828,231)	(5,975,166)	(6,078,934)	(6,159,184)	(6,251,564)	(6,345,302)	(6,440,481)	(6,533,501)	(6,631,479)
Interest expenses	(73,885)	(65,078)	(111,479)	(104,672)	(53,847)	(40,693)	(27,306)	(13,680)	(36,948)	(31,433)	(25,786)	(20,736)	(17,795)	(14,808)	(11,777)	(8,701)	(5,577)	(2,407)	0
Insurance expenses	(325,747)	(339,257)	(344,725)	(422,545)	(428,882)	(435,313)	(441,842)	(448,469)	(455,195)	(462,024)	(468,956)	(475,989)	(483,127)	(490,374)	(497,725)	(505,193)	(512,774)	(520,463)	(528,273)
Other expenditure	(422,949)	(448,447)	(864,085)	(4,630,254)	(639,723)	(649,324)	(659,064)	(668,949)	(678,988)	(689,170)	(699,503)	(709,990)	(720,626)	(731,441)	(742,410)	(753,553)	(764,862)	(776,332)	(787,977)
	(17,706,088)	(15,540,269)	(21,136,688)	(18,067,561)	(13,163,577)	(13,406,657)	(13,632,864)	(13,939,790)	(14,211,072)	(14,477,547)	(14,804,904)	(15,081,040)	(15,318,049)	(15,533,685)	(15,763,444)	(15,996,604)	(16,233,354)	(16,470,020)	(16,714,546)
	(4,997,382)	(2,252,615)	(5,230,851)	(4,591,156)	(1,339,748)	(1,375,275)	(1,389,560)	(1,479,045)	(1,543,928)	(1,570,253)	(1,652,849)	(1,761,277)	(1,740,895)	(1,804,562)	(1,776,953)	(1,746,800)	(1,714,405)	(1,675,211)	(1,681,472)
Non-operating grants, subsidies and contributions	2,492,066	1,386,491	2,355,575	1,555,414	1,313,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000
Loss on revaluation	0	(111,821)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	40,082	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(14,862)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(2,480,096)	(977,945)	(2,875,276)	(3,035,742)	(26,415)	198,058	(476,227)	94,288	(630,595)	3,080	(739,516)	(187,944)	(827,562)	(559,562)	(531,953)	(501,800)	(469,405)	(430,211)	(436,472)
Other comprehensive income	16,442,177	246,586	0	0	1,765,310	1,765,152	1,767,795	1,736,123	1,803,068	1,788,730	1,758,103	1,827,549	1,724,069	1,882,912	1,872,898	1,861,168	1,848,768	1,796,565	1,849,992
TOTAL COMPREHENSIVE INCOME	13,962,081	(731,359)	(2,875,276)	(3,035,742)	1,738,895	1,963,210	1,291,568	1,830,411	1,172,473	1,791,810	1,018,587	1,639,605	896,507	1,323,350	1,340,945	1,359,368	1,379,363	1,366,354	1,413,520

Refer to Appendix B13 – Forecast Significant Accounting Policies



# Appendix B3 Forecast Statement of Comprehensive Income by Program 2021 – 2036

	2017-18	2018-19	2019-20	Base	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
General purpose funding	6,659,595	7,097,993	6,531,499	4,865,344	7,712,503	7,858,382	8,007,705	8,161,612	8,303,523	8,478,225	8,656,556	8,756,834	8,945,788	9,028,286	9,215,147	9,406,897	9,603,392	9,805,514	9,968,932
Law, order, public safety	7,226	5,243	5,887	6,100	6,195	6,290	6,386	6,483	6,581	6,680	6,780	6,881	6,983	7,088	7,195	7,302	7,414	7,528	7,643
Health	305,503	286,696	265,415	330,097	335,049	340,075	345,177	350,354	355,608	360,940	366,353	371,847	377,422	383,081	388,825	394,654	400,575	406,587	412,688
Education and welfare	1,122,336	1,396,344	1,201,617	1,273,582	1,292,686	1,312,077	1,331,758	1,351,735	1,372,011	1,392,590	1,413,478	1,434,681	1,456,201	1,478,045	1,500,216	1,522,718	1,545,558	1,568,740	1,592,272
Housing	186,357	197,633	24,544	190,000	192,850	195,743	198,679	201,659	204,684	207,754	210,870	214,033	217,243	220,502	223,810	227,167	230,575	234,034	237,545
Community amenities	502,548	602,230	432,188	445,000	451,675	458,450	465,328	472,307	479,391	486,580	493,877	501,284	508,803	516,435	524,180	532,042	540,022	548,123	556,345
Recreation and culture	197,766	244,264	167,970	147,450	149,663	151,909	154,189	156,502	158,850	161,234	163,652	166,106	168,597	171,126	173,691	176,296	178,943	181,629	184,355
Transport	2,431,019	2,024,893	229,635	1,024,925	1,040,299	1,055,902	1,071,741	1,087,816	1,104,134	1,120,695	1,137,506	1,154,569	1,171,886	1,189,465	1,207,307	1,225,416	1,243,798	1,262,455	1,281,392
Economic services	805,553	992,560	839,654	547,907	555,619	563,954	572,413	580,999	589,715	598,560	607,537	616,650	625,900	635,289	644,817	654,489	664,307	674,269	684,383
Other property and services	490,803	439,798	6,207,428	4,646,000	87,290	88,600	89,928	91,278	92,647	94,036	95,446	96,878	98,331	99,806	101,303	102,823	104,365	105,930	107,519
	12,708,706	13,287,654	15,905,837	13,476,405	11,823,829	12,031,382	12,243,304	12,460,745	12,667,144	12,907,294	13,152,055	13,319,763	13,577,154	13,729,123	13,986,491	14,249,804	14,518,949	14,794,809	15,033,074
Expenses excluding finance costs																			
Governance	(637,906)	(740,399)	(682,210)	(614,559)	(622,209)	(631,733)	(641,335)	(651,328)	(661,222)	(671,328)	(681,767)	(692,180)	(702,602)	(713,108)	(723,804)	(734,662)	(745,684)	(756,855)	(768,209)
General purpose funding	(244,890)	(350,455)	(131,593)	(410,399)	(416,556)	(422,805)	(429,147)	(435,583)	(442,117)	(448,750)	(455,481)	(462,312)	(469,244)	(476,284)	(483,428)	(490,679)	(498,038)	(505,509)	(513,092)
Law, order, public safety	(387,584)	(515,464)	(434,794)	(378,018)	(382,304)	(388,207)	(394,138)	(400,380)	(406,497)	(412,760)	(419,275)	(425,729)	(432,150)	(438,605)	(445,181)	(451,861)	(458,639)	(465,505)	(472,482)
Health	(555,683)	(514,771)	(506,268)	(592,727)	(601,530)	(610,566)	(619,731)	(629,051)	(638,497)	(648,084)	(657,825)	(667,704)	(677,722)	(687,886)	(698,202)	(708,679)	(719,310)	(730,098)	(741,048)
Education and welfare	(1,160,871)	(1,087,555)	(1,351,001)	(1,351,237)	(1,368,737)	(1,389,605)	(1,410,667)	(1,432,480)	(1,454,193)	(1,476,335)	(1,499,124)	(1,521,944)	(1,544,844)	(1,567,956)	(1,591,473)	(1,615,346)	(1,639,581)	(1,664,154)	(1,689,111)
Housing	(9,121)	(145,430)	(334,033)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	(1,055,491)	(1,140,333)	(945,169)	(1,247,730)	(1,236,946)	(1,259,055)	(1,280,284)	(1,306,425)	(1,328,386)	(1,351,838)	(1,379,071)	(1,403,325)	(1,425,178)	(1,445,918)	(1,467,636)	(1,489,628)	(1,511,995)	(1,534,481)	(1,557,471)
Recreation and culture	(1,847,554)	(1,921,118)	(2,138,091)	(1,829,426)	(1,811,964)	(1,844,559)	(1,875,777)	(1,914,499)	(1,946,771)	(1,981,368)	(2,021,655)	(2,057,383)	(2,089,524)	(2,119,878)	(2,151,666)	(2,183,938)	(2,216,704)	(2,249,629)	(2,283,363)
Transport	(9,160,252)	(6,527,277)	(5,639,907)	(5,958,116)	(5,194,492)	(5,314,045)	(5,421,081)	(5,583,807)	(5,694,873)	(5,821,830)	(5,990,474)	(6,121,926)	(6,223,641)	(6,309,353)	(6,403,987)	(6,500,023)	(6,597,523)	(6,693,979)	(6,794,373)
Economic services	(1,829,809)	(1,722,005)	(1,746,993)	(1,416,098)	(1,425,320)	(1,448,165)	(1,470,845)	(1,495,753)	(1,519,143)	(1,543,372)	(1,569,349)	(1,594,328)	(1,618,573)	(1,642,597)	(1,667,239)	(1,692,253)	(1,717,644)	(1,743,316)	(1,769,458)
Other property and services	(743,042)	(810,384)	(7,115,150)	(4,164,579)	(49,672)	(57,224)	(62,553)	(76,804)	(82,425)	(90,449)	(105,097)	(113,473)	(116,776)	(117,292)	(119,051)	(120,834)	(122,659)	(124,087)	(125,939)
	(17,632,203)	(15,475,191)	(21,025,209)	(17,962,889)	(13,109,730)	(13,365,964)	(13,605,558)	(13,926,110)	(14,174,124)	(14,446,114)	(14,779,118)	(15,060,304)	(15,300,254)	(15,518,877)	(15,751,667)	(15,987,903)	(16,227,777)	(16,467,613)	(16,714,546)
Finance costs																			
Housing	(73,885)	(65,078)	(69,329)	(52,113)	(22,059)	(18,555)	(14,935)	(11,194)	(36,948)	(31,433)	(25,786)	(20,736)	(17,795)	(14,808)	(11,777)	(8,701)	(5,577)	(2,407)	0
Transport	0	0	(42,150)	(52,559)	(31,788)	(22,138)	(12,371)	(2,486)	0	0	0	0	0	0	0	0	0	0	0
	(73,885)	(65,078)	(111,479)	(104,672)	(53,847)	(40,693)	(27,306)	(13,680)	(36,948)	(31,433)	(25,786)	(20,736)	(17,795)	(14,808)	(11,777)	(8,701)	(5,577)	(2,407)	0
Non operating grants, subsidies and contributions																			
Recreation and culture	246,543	0	139,899	565,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	1,998,582	1,386,491	2,210,676	990,414	1,313,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000
Economic services	0	0	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	2,492,066	1,386,491	2,355,575	1,555,414	1,313,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000
Profit/(loss) on disposal of assets																			
Loss on revaluation	0	(111,821)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(2,480,096)	(977,945)	(2,875,276)	(3,035,742)	(26,415)	198,058	(476,227)	94,288	(630,595)	3,080	(739,516)	(187,944)	(827,562)	(559,562)	(531,953)	(501,800)	(469,405)	(430,211)	(436,472)
Other comprehensive income	16,442,177	246,586	0	0	1,765,310	1,765,152	1,767,795	1,736,123	1,803,068	1,788,730	1,758,103	1,827,549	1,724,069	1,882,912	1,872,898	1,861,168	1,848,768	1,796,565	1,849,992
TOTAL COMPREHENSIVE INCOME	13,962,081	(731,359)	(2,875,276)	(3,035,742)	1,738,895	1,963,210	1,291,568	1,830,411	1,172,473	1,791,810	1,018,587	1,639,605	896,507	1,323,350	1,340,945	1,359,368	1,379,363	1,366,354	1,413,520

Refer to Appendix B13 – Forecast Significant Accounting Policies

# Appendix B4 Forecast Statement of Financial Position 2021 – 2036

	2018	2019	2020	Base	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>																			
Unrestricted cash and cash equivalents	2,993,625	2,033,487	1,819,604	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453
Restricted cash and cash equivalent	5,663,908	9,277,227	5,776,313	4,163,922	4,996,984	5,890,498	6,899,486	7,192,891	9,008,097	10,884,887	8,737,095	10,898,931	7,611,415	9,413,545	11,329,284	13,349,247	15,514,778	15,607,270	18,193,424
Trade and other receivables	950,487	587,161	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755
Inventories	132,074	88,419	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906
Other assets	0	67,559	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626
TOTAL CURRENT ASSETS	9,740,094	12,053,853	8,861,204	5,676,662	6,509,724	7,403,238	8,412,226	8,705,631	10,520,837	12,397,627	10,249,835	12,411,671	9,124,155	10,926,285	12,842,024	14,861,987	17,027,518	17,120,010	19,706,164
<b>NON-CURRENT ASSETS</b>																			
Other receivables	9,970	11,168	8,858	8,858	8,858	8,858	8,858	8,858	8,858	8,858	8,858	8,858	8,858	8,858	8,858	8,858	8,858	8,858	8,858
Property plant and equipment	34,347,664	33,433,634	38,791,495	38,564,995	37,304,298	36,011,043	34,652,433	36,375,950	34,919,349	33,448,388	35,969,295	34,324,559	38,135,184	36,501,697	34,815,057	33,087,020	31,279,397	31,579,412	29,699,129
Infrastructure	88,249,185	86,575,704	84,737,561	84,236,474	85,502,616	86,952,026	87,666,287	88,952,652	89,498,490	90,610,927	90,977,207	91,904,326	92,079,395	93,032,788	93,940,289	94,800,308	95,611,218	96,371,349	97,078,998
TOTAL NON-CURRENT ASSETS	122,606,819	120,020,506	123,537,914	122,810,327	122,815,772	122,971,927	122,327,578	125,337,460	124,426,697	124,068,173	126,955,360	126,237,743	130,223,437	129,543,343	128,764,204	127,896,186	126,899,473	127,959,619	126,786,985
TOTAL ASSETS	132,346,913	132,074,359	132,399,118	128,486,989	129,325,496	130,375,165	130,739,804	134,043,091	134,947,534	136,465,800	137,205,195	138,649,414	139,347,592	140,469,628	141,606,228	142,758,173	143,926,991	145,079,629	146,493,149
<b>CURRENT LIABILITIES</b>																			
Trade and other payables	581,425	1,278,437	1,416,198	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907	1,435,907
Contract liabilities	0	0	76,833	76,833	76,833	76,833	76,833	76,833	76,833	76,833	76,833	76,833	76,833	76,833	76,833	76,833	76,833	76,833	76,833
Current portion of long-term liabilities	78,252	107,719	4,415,902	3,519,806	913,541	926,929	527,124	268,030	273,544	279,192	195,386	198,329	201,314	204,345	207,423	210,545	213,716	0	0
Provisions	627,909	469,246	494,507	494,507	494,507	494,507	494,507	494,507	494,507	494,507	494,507	494,507	494,507	494,507	494,507	494,507	494,507	494,507	494,507
TOTAL CURRENT LIABILITIES	1,287,586	1,855,402	6,403,440	5,527,053	2,920,788	2,934,176	2,534,371	2,275,277	2,280,791	2,286,439	2,202,633	2,205,576	2,208,561	2,211,592	2,214,670	2,217,792	2,220,963	2,007,247	2,007,247
<b>NON-CURRENT LIABILITIES</b>																			
Long-term borrowings	912,851	805,131	0	0	1,705,877	778,948	251,824	1,983,794	1,710,250	1,431,058	1,235,672	1,037,343	836,029	631,684	424,261	213,716	0	0	0
Provisions	119,786	118,495	94,278	94,278	94,278	94,278	94,278	94,278	94,278	94,278	94,278	94,278	94,278	94,278	94,278	94,278	94,278	94,278	94,278
TOTAL NON-CURRENT LIABILITIES	1,032,637	923,626	94,278	94,278	1,800,155	873,226	346,102	2,078,072	1,804,528	1,525,336	1,329,950	1,131,621	930,307	725,962	518,539	307,994	94,278	94,278	94,278
TOTAL LIABILITIES	2,320,223	2,779,028	6,497,718	5,621,331	4,720,943	3,807,402	2,880,473	4,353,349	4,085,319	3,811,775	3,532,583	3,337,197	3,138,868	2,937,554	2,733,209	2,525,786	2,315,241	2,101,525	2,101,525
NET ASSETS	130,026,690	129,295,331	125,901,400	122,865,658	124,604,553	126,567,763	127,859,331	129,689,742	130,862,215	132,654,025	133,672,612	135,312,217	136,208,724	137,532,074	138,873,019	140,232,387	141,611,750	142,978,104	144,391,624
<b>EQUITY</b>																			
Retained surplus	31,473,000	27,605,418	26,867,438	25,444,087	24,584,610	23,889,154	22,403,939	22,204,822	19,759,021	17,885,311	19,293,587	16,943,807	19,403,761	17,042,069	14,594,377	12,072,614	9,437,678	8,914,975	5,892,349
Reserves - cash backed	5,542,627	8,432,264	5,776,313	4,163,922	4,996,984	5,890,498	6,899,486	7,192,891	9,008,097	10,884,887	8,737,095	10,898,931	7,611,415	9,413,545	11,329,284	13,349,247	15,514,778	15,607,270	18,193,424
Asset revaluation surplus	93,011,063	93,257,649	93,257,649	93,257,649	95,022,959	96,788,111	98,555,906	100,292,029	102,095,097	103,883,827	105,641,930	107,469,479	109,193,548	111,076,460	112,949,358	114,810,526	116,659,294	118,455,859	120,305,851
TOTAL EQUITY	130,026,690	129,295,331	125,901,400	122,865,658	124,604,553	126,567,763	127,859,331	129,689,742	130,862,215	132,654,025	133,672,612	135,312,217	136,208,724	137,532,074	138,873,019	140,232,387	141,611,750	142,978,104	144,391,624

Refer to Appendix B13 – Forecast Significant Accounting Policies

# Appendix B5 Forecast Statement of Changes in Equity 2021 – 2036

	2018	2019	2020	Base	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>																			
Opening balance	33,953,096	31,473,000	27,086,763	26,867,438	25,444,087	24,584,610	23,889,154	22,403,939	22,204,822	19,759,021	17,885,311	19,293,587	16,943,807	19,403,761	17,042,069	14,594,377	12,072,614	9,437,678	8,914,975
Net result	(2,480,096)	(977,945)	(2,875,276)	(3,035,742)	(26,415)	198,058	(476,227)	94,288	(630,595)	3,080	(739,516)	(187,944)	(827,562)	(559,562)	(531,953)	(501,800)	(469,405)	(430,211)	(436,472)
Amount transferred (to)/from reserves		(2,889,637)	2,655,951	1,612,391	(833,062)	(893,514)	(1,008,988)	(293,405)	(1,815,206)	(1,876,790)	2,147,792	(2,161,836)	3,287,516	(1,802,130)	(1,915,739)	(2,019,963)	(2,165,531)	(92,492)	(2,586,154)
Closing balance	31,473,000	27,605,418	26,867,438	25,444,087	24,584,610	23,889,154	22,403,939	22,204,822	19,759,021	17,885,311	19,293,587	16,943,807	19,403,761	17,042,069	14,594,377	12,072,614	9,437,678	8,914,975	5,892,349
<b>RESERVES - CASH/INVESTMENT BACKED</b>																			
Opening balance	5,542,627	5,542,627	8,432,264	5,776,313	4,163,922	4,996,984	5,890,498	6,899,486	7,192,891	9,008,097	10,884,887	8,737,095	10,898,931	7,611,415	9,413,545	11,329,284	13,349,247	15,514,778	15,607,270
Amount transferred to/(from) retained surplus	0	2,889,637	(2,655,951)	(1,612,391)	833,062	893,514	1,008,988	293,405	1,815,206	1,876,790	(2,147,792)	2,161,836	(3,287,516)	1,802,130	1,915,739	2,019,963	2,165,531	92,492	2,586,154
Closing balance	5,542,627	8,432,264	5,776,313	4,163,922	4,996,984	5,890,498	6,899,486	7,192,891	9,008,097	10,884,887	8,737,095	10,898,931	7,611,415	9,413,545	11,329,284	13,349,247	15,514,778	15,607,270	18,193,424
<b>ASSET REVALUATION SURPLUS</b>																			
Opening balance	93,011,063	93,257,649	93,257,649	93,257,649	93,257,649	95,022,959	96,788,111	98,555,906	100,292,029	102,095,097	103,883,827	105,641,930	107,469,479	109,193,548	111,076,460	112,949,358	114,810,526	116,659,294	118,455,859
Total other comprehensive income	0	0	0	0	1,765,310	1,765,152	1,767,795	1,736,123	1,803,068	1,788,730	1,758,103	1,827,549	1,724,069	1,882,912	1,872,898	1,861,168	1,848,768	1,796,565	1,849,992
Closing balance	93,011,063	93,257,649	93,257,649	93,257,649	95,022,959	96,788,111	98,555,906	100,292,029	102,095,097	103,883,827	105,641,930	107,469,479	109,193,548	111,076,460	112,949,358	114,810,526	116,659,294	118,455,859	120,305,851
<b>TOTAL EQUITY</b>																			
	130,026,690	129,295,331	125,901,400	122,865,658	124,604,553	126,567,763	127,859,331	129,689,742	130,862,215	132,654,025	133,672,612	135,312,217	136,208,724	137,532,074	138,873,019	140,232,387	141,611,750	142,978,104	144,391,624

Refer to Appendix B13 – Forecast Significant Accounting Policies

# Appendix B6 Forecast Statement of Cashflows 2021 – 2036

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash flows from operating activities</b>															
<b>Receipts</b>															
Rates	2,970,553	3,029,964	3,090,563	3,152,374	3,215,422	3,279,730	3,345,325	3,412,231	3,480,475	3,550,085	3,621,087	3,693,509	3,767,379	3,842,726	3,919,581
Operating grants, subsidies and contributions	7,543,818	7,656,975	7,771,829	7,888,405	8,006,733	8,126,832	8,248,733	8,372,467	8,498,053	8,625,526	8,754,909	8,886,231	9,019,526	9,154,819	9,292,144
Fees and charges	907,543	921,159	934,980	949,005	963,239	977,683	992,345	1,007,225	1,022,327	1,037,659	1,053,219	1,069,011	1,085,052	1,101,332	1,117,857
Service charges	4,009	4,069	4,130	4,192	4,255	4,319	4,384	4,450	4,517	4,585	4,654	4,724	4,795	4,867	4,940
Interest earnings	88,227	104,888	122,759	142,939	148,807	185,112	222,647	179,691	222,928	157,179	193,221	231,536	271,932	315,246	317,095
Other revenue	309,679	314,327	319,043	323,830	328,688	333,618	338,621	343,699	348,854	354,089	359,401	364,793	370,265	375,819	381,457
	11,823,829	12,031,382	12,243,304	12,460,745	12,667,144	12,907,294	13,152,055	13,319,763	13,577,154	13,729,123	13,986,491	14,249,804	14,518,949	14,794,809	15,033,074
<b>Payments</b>															
Employee costs	(4,959,303)	(5,033,698)	(5,109,205)	(5,185,845)	(5,263,636)	(5,342,585)	(5,422,719)	(5,504,060)	(5,586,609)	(5,670,410)	(5,755,465)	(5,841,799)	(5,929,429)	(6,018,365)	(6,108,637)
Materials and contracts	(1,617,956)	(1,642,235)	(1,666,860)	(1,691,861)	(1,717,265)	(1,743,012)	(1,769,140)	(1,795,651)	(1,822,541)	(1,849,914)	(1,877,658)	(1,905,817)	(1,934,437)	(1,963,444)	(1,992,857)
Utility charges	(540,101)	(548,203)	(556,443)	(564,785)	(573,272)	(581,843)	(590,569)	(599,448)	(608,417)	(617,554)	(626,845)	(636,239)	(645,794)	(655,508)	(665,323)
Interest expenses	(53,847)	(40,693)	(27,306)	(13,680)	(36,948)	(31,433)	(25,786)	(20,736)	(17,795)	(14,808)	(11,777)	(8,701)	(5,577)	(2,407)	0
Insurance expenses	(428,882)	(435,313)	(441,842)	(448,469)	(455,195)	(462,024)	(468,956)	(475,989)	(483,127)	(490,374)	(497,725)	(505,193)	(512,774)	(520,463)	(528,273)
Other expenditure	(639,723)	(649,324)	(659,064)	(668,949)	(678,988)	(689,170)	(699,503)	(709,990)	(720,626)	(731,441)	(742,410)	(753,553)	(764,862)	(776,332)	(787,977)
	(8,239,812)	(8,349,466)	(8,460,720)	(8,573,589)	(8,725,304)	(8,850,067)	(8,976,673)	(9,105,874)	(9,239,115)	(9,374,501)	(9,511,880)	(9,651,302)	(9,792,873)	(9,936,519)	(10,083,067)
<b>Net cash provided by (used in) operating activities</b>	3,584,017	3,681,916	3,782,584	3,887,156	3,941,840	4,057,227	4,175,382	4,213,889	4,338,039	4,354,622	4,474,611	4,598,502	4,726,076	4,858,290	4,950,007
<b>Cash flows from investing activities</b>															
Payments for purchase of property, plant & equipment	(14,298)	(31,018)	(10,000)	(3,477,206)	(24,044)	(69,089)	(4,452,463)	(10,000)	(6,588,101)	(11,178)	(14,989)	(34,393)	(10,000)	(2,510,623)	(26,298)
Payments for construction of infrastructure	(3,150,000)	(3,420,000)	(2,750,000)	(3,420,000)	(2,750,000)	(3,420,000)	(2,750,000)	(3,420,000)	(2,750,000)	(3,585,000)	(3,585,000)	(3,585,000)	(3,585,000)	(3,585,000)	(3,585,000)
Proceeds from non-operating grants, subsidies and contributions	1,313,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000
Proceeds from sale of plant & equipment	398	2,824	0	257,246	2,107	8,863	245,148	0	997,542	0	462	3,277	0	298,541	2,445
<b>Net cash provided by (used in) investing activities</b>	(1,850,567)	(1,874,861)	(1,846,667)	(5,066,627)	(1,858,604)	(1,906,893)	(6,043,982)	(1,856,667)	(7,427,226)	(2,351,178)	(2,354,527)	(2,371,116)	(2,350,000)	(4,552,082)	(2,363,853)
<b>Cash flows from financing activities</b>															
Repayment of debentures	(900,388)	(913,541)	(926,929)	(527,124)	(268,030)	(273,544)	(279,192)	(195,386)	(198,329)	(201,314)	(204,345)	(207,423)	(210,545)	(213,716)	0
Proceeds from new debentures	0	0	0	2,000,000	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash provided by (used in) financing activities</b>	(900,388)	(913,541)	(926,929)	1,472,876	(268,030)	(273,544)	(279,192)	(195,386)	(198,329)	(201,314)	(204,345)	(207,423)	(210,545)	(213,716)	0
<b>Net increase (decrease) in cash held</b>	833,062	893,514	1,008,988	293,405	1,815,206	1,876,790	(2,147,792)	2,161,836	(3,287,516)	1,802,130	1,915,739	2,019,963	2,165,531	92,492	2,586,154
Cash at beginning of year	4,411,375	5,244,437	6,137,951	7,146,939	7,440,344	9,255,550	11,132,340	8,984,548	11,146,384	7,858,868	9,660,998	11,576,737	13,596,700	15,762,231	15,854,723
<b>Cash and cash equivalents at the end of year</b>	5,244,437	6,137,951	7,146,939	7,440,344	9,255,550	11,132,340	8,984,548	11,146,384	7,858,868	9,660,998	11,576,737	13,596,700	15,762,231	15,854,723	18,440,877

# Appendix B7 Forecast Statement of Funding 2021 – 2036

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>															
<b>Revenues</b>															
Rates	2,970,553	3,029,964	3,090,563	3,152,374	3,215,422	3,279,730	3,345,325	3,412,231	3,480,475	3,550,085	3,621,087	3,693,509	3,767,379	3,842,726	3,919,581
Operating grants, subsidies and contributions	7,543,818	7,656,975	7,771,829	7,888,405	8,006,733	8,126,832	8,248,733	8,372,467	8,498,053	8,625,526	8,754,909	8,886,231	9,019,526	9,154,819	9,292,144
Fees and charges	907,543	921,159	934,980	949,005	963,239	977,683	992,345	1,007,225	1,022,327	1,037,659	1,053,219	1,069,011	1,085,052	1,101,332	1,117,857
Service charges	4,009	4,069	4,130	4,192	4,255	4,319	4,384	4,450	4,517	4,585	4,654	4,724	4,795	4,867	4,940
Interest earnings	88,227	104,888	122,759	142,939	148,807	185,112	222,647	179,691	222,928	157,179	193,221	231,536	271,932	315,246	317,095
Other revenue	309,679	314,327	319,043	323,830	328,688	333,618	338,621	343,699	348,854	354,089	359,401	364,793	370,265	375,819	381,457
	11,823,829	12,031,382	12,243,304	12,460,745	12,667,144	12,907,294	13,152,055	13,319,763	13,577,154	13,729,123	13,986,491	14,249,804	14,518,949	14,794,809	15,033,074
<b>Expenses</b>															
Employee costs	(4,959,303)	(5,033,698)	(5,109,205)	(5,185,845)	(5,263,636)	(5,342,585)	(5,422,719)	(5,504,060)	(5,586,609)	(5,670,410)	(5,755,465)	(5,841,799)	(5,929,429)	(6,018,365)	(6,108,637)
Materials and contracts	(1,617,956)	(1,642,235)	(1,666,860)	(1,691,861)	(1,717,265)	(1,743,012)	(1,769,140)	(1,795,651)	(1,822,541)	(1,849,914)	(1,877,658)	(1,905,817)	(1,934,437)	(1,963,444)	(1,992,857)
Utility charges (electricity, gas, water etc.)	(540,101)	(548,203)	(556,443)	(564,785)	(573,272)	(581,843)	(590,569)	(599,448)	(608,417)	(617,554)	(626,845)	(636,239)	(645,794)	(655,508)	(665,323)
Depreciation on non-current assets	(4,923,765)	(5,057,191)	(5,172,144)	(5,366,201)	(5,485,768)	(5,627,480)	(5,828,231)	(5,975,166)	(6,078,934)	(6,159,184)	(6,251,564)	(6,345,302)	(6,440,481)	(6,533,501)	(6,631,479)
Interest expense	(53,847)	(40,693)	(27,306)	(13,680)	(36,948)	(31,433)	(25,786)	(20,736)	(17,795)	(14,808)	(11,777)	(8,701)	(5,577)	(2,407)	0
Insurance expense	(428,882)	(435,313)	(441,842)	(448,469)	(455,195)	(462,024)	(468,956)	(475,989)	(483,127)	(490,374)	(497,725)	(505,193)	(512,774)	(520,463)	(528,273)
Other expenditure	(639,723)	(649,324)	(659,064)	(668,949)	(678,988)	(689,170)	(699,503)	(709,990)	(720,626)	(731,441)	(742,410)	(753,553)	(764,862)	(776,332)	(787,977)
	(13,163,577)	(13,406,657)	(13,632,864)	(13,939,790)	(14,211,072)	(14,477,547)	(14,804,904)	(15,081,040)	(15,318,049)	(15,533,685)	(15,763,444)	(15,996,604)	(16,233,354)	(16,470,020)	(16,714,546)
	(1,339,748)	(1,375,275)	(1,389,560)	(1,479,045)	(1,543,928)	(1,570,253)	(1,652,849)	(1,761,277)	(1,740,895)	(1,804,562)	(1,776,953)	(1,746,800)	(1,714,405)	(1,675,211)	(1,681,472)
<b>Funding position adjustments</b>															
Depreciation on non-current assets	4,923,765	5,057,191	5,172,144	5,366,201	5,485,768	5,627,480	5,828,231	5,975,166	6,078,934	6,159,184	6,251,564	6,345,302	6,440,481	6,533,501	6,631,479
<b>Net funding from operational activities</b>	<b>3,584,017</b>	<b>3,681,916</b>	<b>3,782,584</b>	<b>3,887,156</b>	<b>3,941,840</b>	<b>4,057,227</b>	<b>4,175,382</b>	<b>4,213,889</b>	<b>4,338,039</b>	<b>4,354,622</b>	<b>4,474,611</b>	<b>4,598,502</b>	<b>4,726,076</b>	<b>4,858,290</b>	<b>4,950,007</b>
<b>FUNDING FROM CAPITAL ACTIVITIES</b>															
<b>Inflows</b>															
Proceeds on disposal	398	2,824	0	257,246	2,107	8,863	245,148	0	997,542	0	462	3,277	0	298,541	2,445
Non-operating grants, subsidies and contributions	1,313,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000
<b>Outflows</b>															
Purchase of property plant and equipment	(14,298)	(31,018)	(10,000)	(3,477,206)	(24,044)	(69,089)	(4,452,463)	(10,000)	(6,588,101)	(11,178)	(14,989)	(34,393)	(10,000)	(2,510,623)	(26,298)
Purchase of infrastructure	(3,150,000)	(3,420,000)	(2,750,000)	(3,420,000)	(2,750,000)	(3,420,000)	(2,750,000)	(3,420,000)	(2,750,000)	(3,585,000)	(3,585,000)	(3,585,000)	(3,585,000)	(3,585,000)	(3,585,000)
<b>Net funding from capital activities</b>	<b>(1,850,567)</b>	<b>(1,874,861)</b>	<b>(1,846,667)</b>	<b>(5,066,627)</b>	<b>(1,858,604)</b>	<b>(1,906,893)</b>	<b>(6,043,982)</b>	<b>(1,856,667)</b>	<b>(7,427,226)</b>	<b>(2,351,178)</b>	<b>(2,354,527)</b>	<b>(2,371,116)</b>	<b>(2,350,000)</b>	<b>(4,552,082)</b>	<b>(2,363,853)</b>
<b>FUNDING FROM FINANCING ACTIVITIES</b>															
<b>Inflows</b>															
Transfer from reserves	3,900	18,194	0	1,209,960	11,937	50,226	4,197,315	0	5,580,559	1,178	4,527	21,116	0	2,202,082	13,853
New borrowings	0	0	0	2,000,000	0	0	0	0	0	0	0	0	0	0	0
<b>Outflows</b>															
Transfer to reserves	(836,962)	(911,708)	(1,008,988)	(1,503,365)	(1,827,143)	(1,927,016)	(2,049,523)	(2,161,836)	(2,293,043)	(1,803,308)	(1,920,266)	(2,041,079)	(2,165,531)	(2,294,574)	(2,600,007)
Repayment of past borrowings	(900,388)	(913,541)	(926,929)	(527,124)	(268,030)	(273,544)	(279,192)	(195,386)	(198,329)	(201,314)	(204,345)	(207,423)	(210,545)	(213,716)	0
<b>Net funding from financing activities</b>	<b>(1,733,450)</b>	<b>(1,807,055)</b>	<b>(1,935,917)</b>	<b>1,179,471</b>	<b>(2,083,236)</b>	<b>(2,150,334)</b>	<b>1,868,600</b>	<b>(2,357,222)</b>	<b>3,089,187</b>	<b>(2,003,444)</b>	<b>(2,120,084)</b>	<b>(2,227,386)</b>	<b>(2,376,076)</b>	<b>(306,208)</b>	<b>(2,586,154)</b>
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Estimated surplus/deficit June 30 C/Fwd</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Appendix B8 Forecast Statement of Net Current Asset Composition 2021 – 2036

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<strong>CURRENT ASSETS</strong>															
Unrestricted cash and equivalents	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453	247,453
Restricted cash and cash equivalent	4,996,984	5,890,498	6,899,486	7,192,891	9,008,097	10,884,887	8,737,095	10,898,931	7,611,415	9,413,545	11,329,284	13,349,247	15,514,778	15,607,270	18,193,424
Trade and other receivables	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755	939,755
Inventories	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906	80,906
Other assets	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626	244,626
<strong>CURRENT LIABILITIES</strong>															
Trade and other payables	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)	(1,435,907)
Contract liabilities	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)	(76,833)
Reserves	(4,996,984)	(5,890,498)	(6,899,486)	(7,192,891)	(9,008,097)	(10,884,887)	(8,737,095)	(10,898,931)	(7,611,415)	(9,413,545)	(11,329,284)	(13,349,247)	(15,514,778)	(15,607,270)	(18,193,424)
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Refer to Appendix B13 – Forecast Significant Accounting Policies



# Appendix B9 Forecast Statement of Fixed Asset Movements 2021 – 2036

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CAPITAL WORKS - INFRASTRUCTURE</b>															
Infrastructure - roads	3,150,000	3,420,000	2,750,000	3,420,000	2,750,000	3,420,000	2,750,000	3,420,000	2,750,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000
<b>Total capital works - infrastructure</b>	<b>3,150,000</b>	<b>3,420,000</b>	<b>2,750,000</b>	<b>3,420,000</b>	<b>2,750,000</b>	<b>3,420,000</b>	<b>2,750,000</b>	<b>3,420,000</b>	<b>2,750,000</b>	<b>3,585,000</b>	<b>3,585,000</b>	<b>3,585,000</b>	<b>3,585,000</b>	<b>3,585,000</b>	<b>3,585,000</b>
<b>Represented by:</b>															
Additions - expansion, upgrades and new	1,650,000	1,920,000	1,250,000	1,920,000	1,250,000	1,920,000	1,250,000	1,920,000	1,250,000	0	0	0	0	0	0
Additions - renewal	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000
<b>Total Capital Works - Infrastructure</b>	<b>3,150,000</b>	<b>3,420,000</b>	<b>2,750,000</b>	<b>3,420,000</b>	<b>2,750,000</b>	<b>3,420,000</b>	<b>2,750,000</b>	<b>3,420,000</b>	<b>2,750,000</b>	<b>3,585,000</b>	<b>3,585,000</b>	<b>3,585,000</b>	<b>3,585,000</b>	<b>3,585,000</b>	<b>3,585,000</b>
<b>Asset movement reconciliation</b>															
Total capital works infrastructure	3,150,000	3,420,000	2,750,000	3,420,000	2,750,000	3,420,000	2,750,000	3,420,000	2,750,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000
Depreciation infrastructure	(3,147,406)	(3,253,128)	(3,340,019)	(3,448,629)	(3,538,452)	(3,650,040)	(3,742,884)	(3,857,539)	(3,953,496)	(4,012,798)	(4,072,990)	(4,134,085)	(4,196,095)	(4,259,037)	(4,322,922)
Revaluation of infrastructure assets (inflation)	1,263,548	1,282,538	1,304,280	1,314,994	1,334,290	1,342,477	1,359,164	1,364,658	1,378,565	1,381,191	1,395,491	1,409,104	1,422,005	1,434,168	1,445,571
<b>Net movement in infrastructure assets</b>	<b>1,266,142</b>	<b>1,449,410</b>	<b>714,261</b>	<b>1,286,365</b>	<b>545,838</b>	<b>1,112,437</b>	<b>366,280</b>	<b>927,119</b>	<b>175,069</b>	<b>953,393</b>	<b>907,501</b>	<b>860,019</b>	<b>810,910</b>	<b>760,131</b>	<b>707,649</b>
<b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>															
Buildings - non-specialised	0	0	0	2,000,000	0	0	2,700,000	0	0	0	0	0	0	0	0
Furniture and equipment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Plant and equipment	4,298	21,018	0	1,467,206	14,044	59,089	1,742,463	0	6,578,101	1,178	4,989	24,393	0	2,500,623	16,298
<b>Total capital works property, plant and equipment</b>	<b>14,298</b>	<b>31,018</b>	<b>10,000</b>	<b>3,477,206</b>	<b>24,044</b>	<b>69,089</b>	<b>4,452,463</b>	<b>10,000</b>	<b>6,588,101</b>	<b>11,178</b>	<b>14,989</b>	<b>34,393</b>	<b>10,000</b>	<b>2,510,623</b>	<b>26,298</b>
<b>Represented by:</b>															
Additions - renewal	14,298	31,018	10,000	3,477,206	24,044	69,089	4,452,463	10,000	6,588,101	11,178	14,989	34,393	10,000	2,510,623	26,298
<b>Total capital works property, plant and equipment</b>	<b>14,298</b>	<b>31,018</b>	<b>10,000</b>	<b>3,477,206</b>	<b>24,044</b>	<b>69,089</b>	<b>4,452,463</b>	<b>10,000</b>	<b>6,588,101</b>	<b>11,178</b>	<b>14,989</b>	<b>34,393</b>	<b>10,000</b>	<b>2,510,623</b>	<b>26,298</b>
<b>Asset movement reconciliation</b>															
Total capital works property, plant and equipment	14,298	31,018	10,000	3,477,206	24,044	69,089	4,452,463	10,000	6,588,101	11,178	14,989	34,393	10,000	2,510,623	26,298
Depreciation property, plant and equipment	(1,776,359)	(1,804,063)	(1,832,125)	(1,917,572)	(1,947,316)	(1,977,440)	(2,085,347)	(2,117,627)	(2,125,438)	(2,146,386)	(2,178,574)	(2,211,217)	(2,244,386)	(2,274,464)	(2,308,557)
Net book value of disposed/written off assets	(398)	(2,824)	0	(257,246)	(2,107)	(8,863)	(245,148)	0	(997,542)	0	(462)	(3,277)	0	(298,541)	(2,445)
Revaluation of property, plant and equipment (inflation)	501,762	482,614	463,515	421,129	468,778	446,253	398,939	462,891	345,504	501,721	477,407	452,064	426,763	362,397	404,421
<b>Net movement in property, plant and equipment</b>	<b>(1,260,697)</b>	<b>(1,293,255)</b>	<b>(1,358,610)</b>	<b>1,723,517</b>	<b>(1,456,601)</b>	<b>(1,470,961)</b>	<b>2,520,907</b>	<b>(1,644,736)</b>	<b>3,810,625</b>	<b>(1,633,487)</b>	<b>(1,686,640)</b>	<b>(1,728,037)</b>	<b>(1,807,623)</b>	<b>300,015</b>	<b>(1,880,283)</b>
<b>CAPITAL WORKS - TOTALS</b>															
<b>Capital works</b>															
Total capital works infrastructure	3,150,000	3,420,000	2,750,000	3,420,000	2,750,000	3,420,000	2,750,000	3,420,000	2,750,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000
Total capital works property, plant and equipment	14,298	31,018	10,000	3,477,206	24,044	69,089	4,452,463	10,000	6,588,101	11,178	14,989	34,393	10,000	2,510,623	26,298
<b>Total capital works</b>	<b>3,164,298</b>	<b>3,451,018</b>	<b>2,760,000</b>	<b>6,897,206</b>	<b>2,774,044</b>	<b>3,489,089</b>	<b>7,202,463</b>	<b>3,430,000</b>	<b>9,338,101</b>	<b>3,596,178</b>	<b>3,599,989</b>	<b>3,619,393</b>	<b>3,595,000</b>	<b>6,095,623</b>	<b>3,611,298</b>
<b>Fixed asset movement</b>															
Net movement in infrastructure assets	1,266,142	1,449,410	714,261	1,286,365	545,838	1,112,437	366,280	927,119	175,069	953,393	907,501	860,019	810,910	760,131	707,649
Net movement in property, plant and equipment	(1,260,697)	(1,293,255)	(1,358,610)	1,723,517	(1,456,601)	(1,470,961)	2,520,907	(1,644,736)	3,810,625	(1,633,487)	(1,686,640)	(1,728,037)	(1,807,623)	300,015	(1,880,283)
<b>Net movement in fixed assets</b>	<b>5,445</b>	<b>156,155</b>	<b>(644,349)</b>	<b>3,009,882</b>	<b>(910,763)</b>	<b>(358,524)</b>	<b>2,887,187</b>	<b>(717,617)</b>	<b>3,985,694</b>	<b>(680,094)</b>	<b>(779,139)</b>	<b>(868,018)</b>	<b>(996,713)</b>	<b>1,060,146</b>	<b>(1,172,634)</b>



# Appendix B10 Forecast Statement of Capital Funding 2021 – 2036

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Capital expenditure</b>															
Infrastructure - roads	3,150,000	3,420,000	2,750,000	3,420,000	2,750,000	3,420,000	2,750,000	3,420,000	2,750,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000
Buildings - non-specialised	0	0	0	2,000,000	0	0	2,700,000	0	0	0	0	0	0	0	0
Furniture and equipment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Plant and equipment	4,298	21,018	0	1,467,206	14,044	59,089	1,742,463	0	6,578,101	1,178	4,989	24,393	0	2,500,623	16,298
<b>Total - Capital expenditure</b>	<b>3,164,298</b>	<b>3,451,018</b>	<b>2,760,000</b>	<b>6,897,206</b>	<b>2,774,044</b>	<b>3,489,089</b>	<b>7,202,463</b>	<b>3,430,000</b>	<b>9,338,101</b>	<b>3,596,178</b>	<b>3,599,989</b>	<b>3,619,393</b>	<b>3,595,000</b>	<b>6,095,623</b>	<b>3,611,298</b>
<b>Funded by:</b>															
<b>Capital grants &amp; contributions</b>															
Infrastructure - roads	1,313,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,573,333	913,333	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000
<b>Total - Capital grants &amp; contributions</b>	<b>1,313,333</b>	<b>1,573,333</b>	<b>913,333</b>	<b>1,573,333</b>	<b>913,333</b>	<b>1,573,333</b>	<b>913,333</b>	<b>1,573,333</b>	<b>913,333</b>	<b>1,245,000</b>	<b>1,245,000</b>	<b>1,245,000</b>	<b>1,245,000</b>	<b>1,245,000</b>	<b>1,245,000</b>
<b>Own source funding</b>															
Infrastructure - roads	1,836,667	1,846,667	1,836,667	1,846,667	1,836,667	1,846,667	1,836,667	1,846,667	1,836,667	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000
Buildings - non-specialised	0	0	0	0	0	0	2,700,000	0	0	0	0	0	0	0	0
Furniture and equipment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Plant and equipment	3,900	18,194	0	1,209,960	11,937	50,226	1,497,315	0	5,580,559	1,178	4,527	21,116	0	2,202,082	13,853
<b>Total - Own source funding</b>	<b>1,850,567</b>	<b>1,874,861</b>	<b>1,846,667</b>	<b>3,066,627</b>	<b>1,858,604</b>	<b>1,906,893</b>	<b>6,043,982</b>	<b>1,856,667</b>	<b>7,427,226</b>	<b>2,351,178</b>	<b>2,354,527</b>	<b>2,371,116</b>	<b>2,350,000</b>	<b>4,552,082</b>	<b>2,363,853</b>
<b>Borrowings</b>															
Buildings - non-specialised	0	0	0	2,000,000	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Borrowings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other (disposals &amp; C/Fwd)</b>															
Plant and equipment	398	2,824	0	257,246	2,107	8,863	245,148	0	997,542	0	462	3,277	0	298,541	2,445
<b>Total - Other (disposals &amp; C/Fwd)</b>	<b>398</b>	<b>2,824</b>	<b>0</b>	<b>257,246</b>	<b>2,107</b>	<b>8,863</b>	<b>245,148</b>	<b>0</b>	<b>997,542</b>	<b>0</b>	<b>462</b>	<b>3,277</b>	<b>0</b>	<b>298,541</b>	<b>2,445</b>
<b>Total Capital Funding</b>	<b>3,164,298</b>	<b>3,451,018</b>	<b>2,760,000</b>	<b>6,897,206</b>	<b>2,774,044</b>	<b>3,489,089</b>	<b>7,202,463</b>	<b>3,430,000</b>	<b>9,338,101</b>	<b>3,596,178</b>	<b>3,599,989</b>	<b>3,619,393</b>	<b>3,595,000</b>	<b>6,095,623</b>	<b>3,611,298</b>

# Appendix B11      Forecast Ratios 2021 – 2036

	Target Range		Average	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	0.85	0.62	0.62	0.74	0.85	0.85	0.84	0.89	0.88	0.88	0.88	0.88	0.88	0.88	1.00	1.00
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(32.52%)	(31.30%)	(31.44%)	(31.08%)	(32.35%)	(33.13%)	(32.85%)	(33.71%)	(35.60%)	(34.28%)	(35.36%)	(33.97%)	(32.57%)	(31.17%)	(29.70%)	(29.29%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	33.18%	32.51%	32.63%	32.80%	32.80%	32.79%	33.02%	33.12%	32.80%	33.16%	32.86%	33.19%	33.53%	33.88%	34.24%	34.35%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	14.68	3.81	3.90	3.99	7.21	13.05	13.41	13.78	19.59	20.15	20.22	20.76	21.32	21.89	22.49	-
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	58.38%	30.75%	30.27%	29.19%	92.75%	27.78%	27.88%	102.13%	25.27%	133.05%	58.39%	57.59%	57.04%	55.82%	93.30%	54.46%
Asset consumption ratio	> 50.00%	> 60.00%	74.32%	86.09%	83.85%	81.53%	80.28%	77.94%	75.70%	74.59%	72.30%	73.03%	71.60%	70.14%	68.67%	67.15%	66.75%	65.18%
Asset renewal funding ratio	> 75.00%	> 95.00%	243.70%	215.07%	230.14%	245.43%	260.95%	266.92%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Refer to Appendix B13 – Forecast Significant Accounting Policies

# Appendix B12 Asset Renewals 2021 – 2036

## Required Asset Renewals

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings – non-specialised	0	0	0	0	0	0	70,844	0	11,605	0	0	499,376	0	412,109	0
Furniture and equipment	9,890	33,811	26,534	12,295	0	11,233	0	0	211,559	0	11,478	39,239	30,794	14,269	0
Plant and equipment	3,900	18,195	0	1,209,961	11,937	50,225	1,497,314	0	5,580,558	1,178	4,527	21,115	0	2,202,082	13,853
Infrastructure - roads	0	0	0	0	0	0	3,055,102	1,045,951	0	0	0	0	0	0	0
Infrastructure - other	20,605	9,829	0	6,895	138,725	227,851	127,744	15,436	1,555,530	76,920	1,211,759	390,035	167,519	568,776	53,551
<b>Total</b>	<b>34,395</b>	<b>61,835</b>	<b>26,534</b>	<b>1,229,151</b>	<b>150,662</b>	<b>289,309</b>	<b>4,751,004</b>	<b>1,061,387</b>	<b>7,359,252</b>	<b>78,098</b>	<b>1,227,764</b>	<b>949,765</b>	<b>198,313</b>	<b>3,197,236</b>	<b>67,404</b>

## Planned Asset Renewals

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings – non-specialised	0	0	0	2,000,000	0	0	2,700,000	0	0	0	0	0	0	0	0
Furniture and equipment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Plant and equipment	3,900	18,194	0	1,209,960	11,937	50,226	1,497,315	0	5,580,559	1,178	4,527	21,116	0	2,202,082	13,853
Infrastructure - roads	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000
Infrastructure - other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1,513,900</b>	<b>1,528,194</b>	<b>1,510,000</b>	<b>4,719,960</b>	<b>1,521,937</b>	<b>1,560,226</b>	<b>5,707,315</b>	<b>1,510,000</b>	<b>7,090,559</b>	<b>3,596,178</b>	<b>3,599,527</b>	<b>3,616,116</b>	<b>3,595,000</b>	<b>5,797,082</b>	<b>3,608,853</b>

## Asset Renewal Funding Surplus (Deficit)

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings – non-specialised	0	0	0	2,000,000	0	0	2,629,156	0	(11,605)	0	0	(499,376)	0	(412,109)	0
Furniture and equipment	110	(23,811)	(16,534)	(2,295)	10,000	(1,233)	10,000	10,000	(201,559)	10,000	(1,478)	(29,239)	(20,794)	(4,269)	10,000
Plant and equipment	0	(1)	0	(1)	0	1	1	0	1	0	0	1	0	0	0
Infrastructure - roads	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	(1,555,102)	454,049	1,500,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000	3,585,000
Infrastructure - other	(20,605)	(9,829)	0	(6,895)	(138,725)	(227,851)	(127,744)	(15,436)	(1,555,530)	(76,920)	(1,211,759)	(390,035)	(167,519)	(568,776)	(53,551)
<b>Total</b>	<b>1,479,505</b>	<b>1,466,359</b>	<b>1,483,466</b>	<b>3,490,809</b>	<b>1,371,275</b>	<b>1,270,917</b>	<b>956,311</b>	<b>448,613</b>	<b>(268,693)</b>	<b>3,518,080</b>	<b>2,371,763</b>	<b>2,666,351</b>	<b>3,396,687</b>	<b>2,599,846</b>	<b>3,541,449</b>

# Appendix B13 Forecast Significant Accounting Policies

## Basis of Preparation

The Long Term Financial Plan (the Plan) comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this Plan have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

## Critical Accounting Estimates

The preparation of the Plan in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

## The Local Government Reporting Entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of the Plan.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the trust fund are excluded from the forecast financial statements.

## Base Year Balances

Balances shown in the Plan as Base Year are as forecast at the time of preparation of the Plan and are based on the current budget and prior year annual financial reporting and may be subject to variation.

## Rounding Off Figures

All figures shown in the Plan are rounded to the nearest dollar.

## Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation.

# Appendix B13 Forecast Significant Accounting Policies (Continued)

## Forecast Fair Value Adjustments

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time preparation.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur and have not been estimated within the Plan.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such have been estimated as an inflation adjustment to Other Comprehensive Income, based on the value of the non-current assets forecasted to be held by the Shire.

## Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

## Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

## Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

## Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

## Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

# Appendix B13 Forecast Significant Accounting Policies (Continued)

## Inventories

### General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### Land held for resale

Land purchased for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on Council's intention to release for sale.

### Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

### Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

## Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

An effective average depreciation rate for each class of asset has been utilised to estimate the forecast depreciation expense for each year. These are provided in the table below:

Asset Class	Effective average depreciation rate
Buildings – non-specialised	2.95%
Furniture and equipment	10%
Plant and equipment	9.56%
Infrastructure - roads	3.05%
Infrastructure - other	4.95%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

# Appendix B13 Forecast Significant Accounting Policies (Continued)

## Employee Benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

### Short-Term Employee Benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

### Other Long-Term Employee Benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

## Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

## Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

## Provisions

Provisions are recognised when the Shire has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Town's intentions to release for sale.



# Appendix C1 Glossary

## Funding Gap

A funding gap exists whenever an entity has insufficient capacity to fund asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current funding gap means service levels have already or are currently falling. A projected funding gap if not addressed will result in a future diminution of existing service levels.

## Infrastructure Assets

Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, eg. properties, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets have long lives. They are fixed in place and often have no separate market value.

## Key Performance Indicator

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

## Level of Service

The defined service quality for a particular activity or service area (ie street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environment, acceptability and cost.

## Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal. Maintenance occurs on a routine (at least annual) basis.

## Planned Maintenance

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

## Reactive Maintenance

Unplanned repair work that is carried out in response to service requests and management/supervisory directions.

## Significant Maintenance

Maintenance work to repair components or replace sub-components that need to be identified as a specific maintenance item in the maintenance budget.

## Unplanned Maintenance

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

## Maintenance Expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure which was anticipated in determining the asset's useful life.

## Materiality

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

## Modern Equivalent Asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and improvements and efficiencies in production and installation techniques.

# Appendix C1 Glossary (Continued)

## Net Present Value (NPV)

The value to the organisation of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

## Non-Revenue Generating Investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, for example parks and playgrounds, footpaths, properties and bridges, libraries, etc.

## Operations Expenditure

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

## Pavement Management System

A systematic process for measuring and predicting the condition of property pavements and wearing surfaces over time and recommending corrective actions.

## Recoverable Amount

The higher of an asset's fair value, less costs to sell and its value in use.

## Recurrent Expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

## Recurrent Funding

Funding to pay for recurrent expenditure.

## Remaining Useful Life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

## Renewal

Works to upgrade refurbish or replace existing facilities with facilities of equivalent capacity or performance capability.

## Residual Value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

## Revenue Generating Investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

## Risk Management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

## Section or Segment

A self-contained part or piece of an infrastructure asset.

## Service Potential

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

## Service Potential Remaining

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that are still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

## Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, replacement of air conditioning equipment, etc. This work generally falls below the capital/maintenance threshold and needs to be identified in a specific maintenance budget allocation.

## Sub-Component

Smaller individual parts that make up a component part.

## Useful Life

May be expressed as either:

- (a) The period over which a depreciable asset is expected to be used; or
- (b) The number of production or similar units (ie intervals, cycles) that is expected to be obtained from the asset.

# Appendix D1 Workforce Planning

## 1.1 Introduction

The Shire of Halls Creek Draft Workforce Plan 2021 – 2025 forms an integral part of our integrated Strategic Resource Plan 2021 – 2036. The Plan assists the Shire to respond to its workforce challenges in a strategic way as we work with the community to build a bright future and a capable workforce.

The Shire's Strategic Community Plan outline the community's hopes and aspirations, with detailed strategies and actions to progress these are identified in the Corporate Business Plan. The Workforce Plan plays an important part as we seek to ensure the Shire has the right people, in the right place, at the right time, to meet the needs of our community.

The Shire continues its journey to meet the changing service demands of its community. This requires a skilled, flexible and productive workforce across the organisation to deliver the Shire's Strategic Community Plan objectives. It also requires the organisation to build a culture of discipline, innovation and continual improvement to make it happen.

## 1.2 What is workforce planning?

Workforce planning is a process of analysis to ensure the Shire has the right people, in the right place, at the right time to achieve the objectives set out in the Shire's Strategic Community Plan.

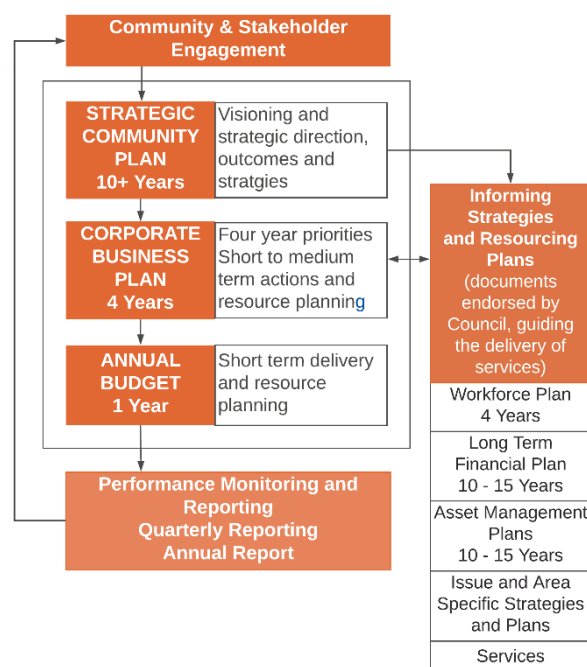
Workforce planning assists management to anticipate change, identify the important issues driving workforce activity and implement the strategies to support positive workforce development and strategic outcomes.

## 1.3 Key principles of workforce planning

- Building workforce strategies aligned to and supporting the Shire's strategic direction and values;
- Ensuring the workforce planning process is part of the Shire's Integrated Planning Process;
- Actively involve managers and employees in developing, communicating and implementing the workforce strategies;
- Utilising a risk management approach to workforce planning and identifying 'mission critical' areas of operations;
- Establishing effective implementation processes to ensure the successful execution of core strategies; and
- Continually monitoring and evaluating the progress towards implementing the workforce strategies and measuring its contribution towards meeting the Shire's strategic goals.

## 1.4 Integration with the Integrated Planning and Reporting Framework

Workforce planning responds to the requirements under the State Integrated Planning and Reporting Framework which is a planning obligation on all local governments in Western Australia. The key elements



of the framework are reflected in the diagram below:

# Appendix D2 Shire of Halls Creek Analysis

## 2.1 The External Environment

There are a range of external trends and challenges that influence and determine the key strategies developed in this Workforce Plan. These key trends include:

### 2.1.1 Socio Demographic Trends

- A multi-generational workforce, each with their own needs, aspirations, and expectations;
- High percentage of 25-34 year old's within the district;
- Greater work/life balance expectations; and
- Remote location.

### 2.1.2 Competition

- Projected talent and skill shortage; and
- Demand for mining workforce competing for talent.

### 2.1.3 Economic

- Cost of living and inflationary pressures within WA; and
- Global and national economic uncertainty resulting in a reducing availability of external grants and contributions.

### 2.1.4 Political

- The implementation of initiatives in relation to the Integrated and Reporting Framework may require additional local resources as well as new capabilities;
- Increasing expectation in relation to corporate governance standards and transparency of decision making, bringing with it a range of workforce considerations; and
- Ongoing increasing statutory requirements for local government.

### 2.1.5 Technology

- The pace of change and emerging technology trends present local governments with both challenges and opportunities in managing information, delivering services, improving processes and decision making;
- Technology provides a range of tools to assist workforce management including communicating with employees, e-learning, employee monitoring and connecting employees across locations; and
- Trends such as social media, cloud based applications, robotic automation will be of particular importance and application in the future.

### 2.1.6 Industry

- There is an increasing lack of sustainability in financing renewal of assets, with ageing community infrastructure playing a major role. There is a heavy reliance on state or federal funding; and
- Significant cost shifting from other levels of government to the local level without the associated resources.

### 2.1.7 Customers

- Many customers are becoming better informed and assertive about their rights.

# Appendix D2 Shire of Halls Creek Analysis (Continued)

## 2.2 The External Labour Market

The external labour market demand indicates difficulties in attracting and retaining skilled staff in key occupations across the State, due mainly to continuing labour demand in the mining, construction and professional services, scientific and technical service, public service, community and health sectors. This is based on the occupations in high and medium demand in the WA State Priorities Occupation List 2019 produced by the Department of Training and Workforce Development. However there is the additional challenges of location remoteness and undesirability that further impact recruitment and retention to the district.

Some of the specific positions that are regarded as being in high demand in Western Australia, which may impact the Shire in regards recruitment and retention include:

- Chief executive;
- Environmental health officer;
- Accountant / finance manager;
- Plant Operators; and
- Engineers.

It is noted, the external market is somewhat volatile due to changing economic conditions in the mining, manufacturing and construction industries. There have been significant impacts from the COVID-19 pandemic, still to be recognised through the data collection process.

The Shire identified the following skills as challenging to source:

- Accounting /Finance;
- Plant operators / labourers;
- Works supervisors;
- Combined Environmental health professionals and building surveying;
- Rangers; and
- Governance / compliance.

Due to the remote location, it is challenging to attract and retain skilled staff in all areas. As needs arise, identifying alternative opportunities include potential for shared services, virtual or remote options.

## 2.3 Shire of Halls Creek Internal Operating Environment

### 2.3.1 Service Delivery

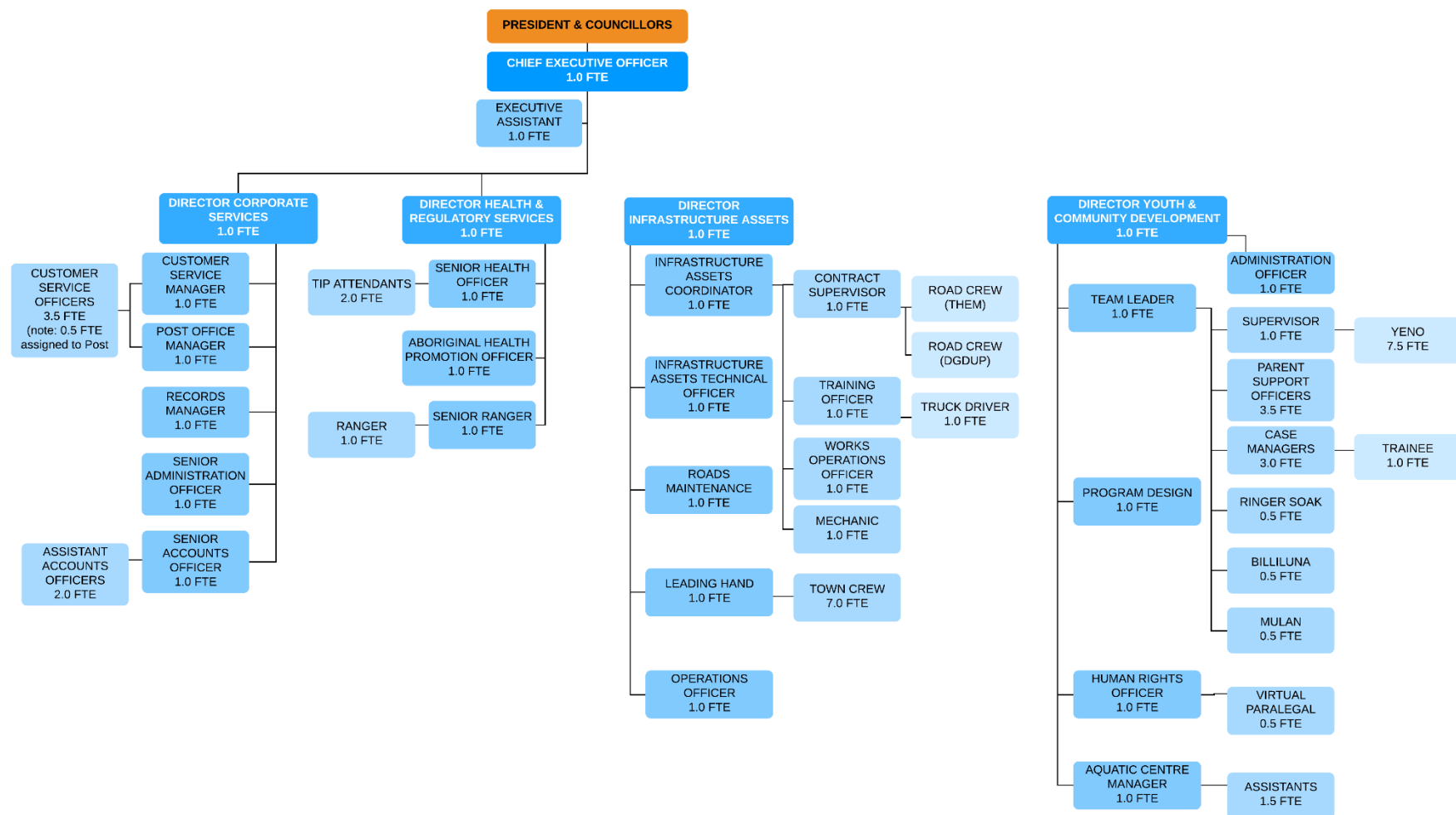
The Shire provides a number of services to the community as listed below:

- Co-ordination of Council activities and functions;
- Co-ordination of management functions;
- Liaison with Government and Ministerial offices;
- Corporate | strategic planning;
- Business | economic development;
- Statutory compliance;
- Executive support to Council;
- Special projects;
- Financial administration;
- Human resources | occupational health | safety;
- Information | communication;
- Community development (inc. youth services);
- Library | information services;
- Procurement;
- Asset management
- Sport | recreation;
- Caravan park;
- Support for volunteers;
- Information | tourism services | CRC;
- Event support.
- Roads | streets;
- Shire buildings maintenance | heritage assets;
- Parks | gardens | reserves;
- Cleaning;
- Ranger services;
- Emergency services;
- Cemetery;
- Health administration | inspection services;
- Building | planning services; and
- Private works.

# Appendix D2 Shire of Halls Creek Analysis (Continued)

## 2.4 Organisation Structure

The organisational structure is a dynamic process and needs to be developed in accordance with changing priorities and considering the difficulty in attracting and retaining suitably qualified employees to the Shire, however the current structure is not expected to change significantly during the term of this Plan. It is expected that there will be a number of vacancies at any given time due to staff turnover.





# Appendix D2 Shire of Halls Creek Analysis (Continued)

## 2.5 Workforce Profile

Information	Shire of Halls Creek - as at May 2021	
Number of employees	103 <sup>2</sup>	
Full time equivalent employees	91.86	
Gender	38% (39) female 62% (64) male	
Total annual salaries and wages	\$4.9m	
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed	
Annual/LSL liability <sup>3</sup>	Current	\$494,507
	Non-Current	\$94,278
Awards and Agreements	Local Government Officers (Western Australia) Interim Award 2011	
Age profile	The average age of current employees is 38 years	
Years of Service	The average length of service is 1.5 years	

## 2.6 Workforce Demographics

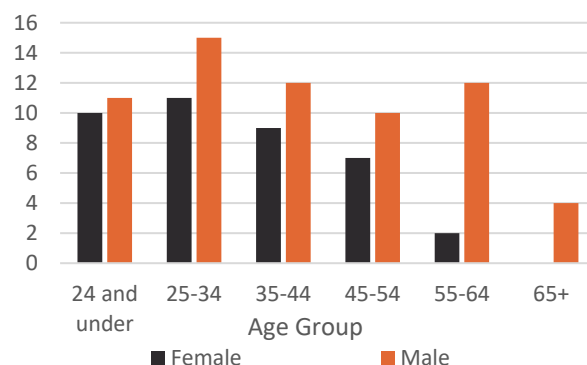
This section contains an analysis of some key workforce metrics such as age, gender and terminations. Included in this analysis are full time, part time and casual staff as well as those on leave, including long service and maternity leave, however contractors, agency staff and group apprentices are excluded.

The workforce gender balance composition at May 2021 was 38% female and 62% male. As indicated above, this composition includes full time, part time and casual staff.

A considerable proportion (45%) of employees are under 35 years of age. Attracting and retaining younger employees is an important challenge as this cohort are often a source of innovation as well as representing the talent pool for the future.

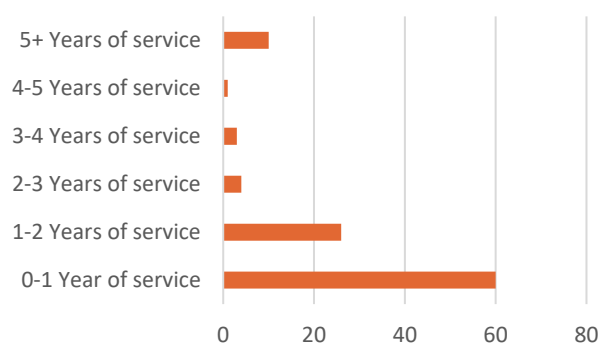
There are currently 35 employees aged 45+ and with 54% of employees aged over 35, there are potential issues relating to knowledge retention and business continuity should these staff, often with years of experience, exit the organisation at short notice. Strategies to address this issue include identifying and training potential successors for business critical jobs. There is also potential to develop a range of strategies to continue to retain mature workers within the Shire (e.g. flexible work arrangements, transition to retirement, etc.).

### 2.6.1 Workforce by Age and Gender



### 2.6.2 Length of Service

The chart below reflects the length of service of current employees at May 2021.



<sup>2</sup> Includes 1 employee on Contract through LOGO Appointments

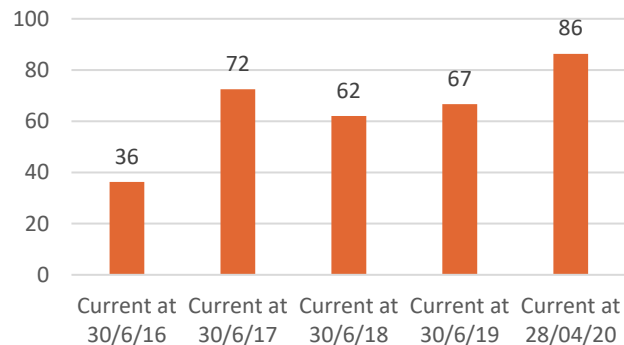
<sup>3</sup> Shire of Halls Creek 2019-20 Annual Financial Statements



# Appendix D2 Shire of Halls Creek Analysis (Continued)

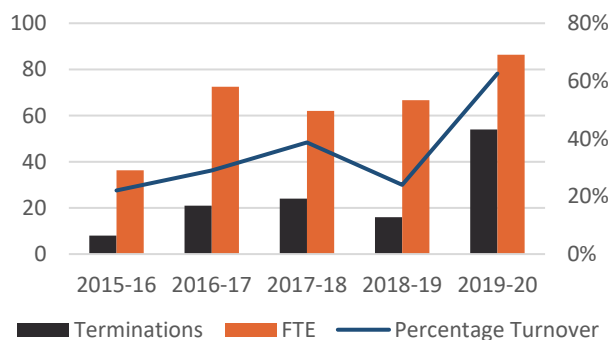
## 2.7 Historical Employee Information

Employee levels fluctuate during the year as staff are terminated and recruited, with the total number of full time equivalent (FTE) employees on 30 June each year increasing from 36 FTE in 2016 to 86 FTE at 28 April 2020, as show in the chart below.



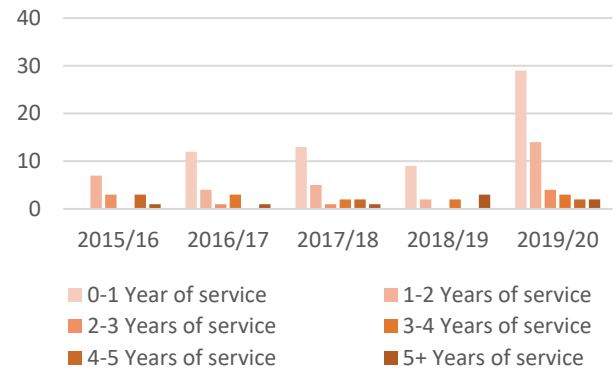
### 2.7.1 Turnover Rate

Below are graphs showing the exit rates for the Shire of Halls Creek by age and length of service for the period 2015/16 to 2019/20. These need to be considered in the context of the size of the workforce and overall length of service. Over this period the average annual turnover rate is 35%.

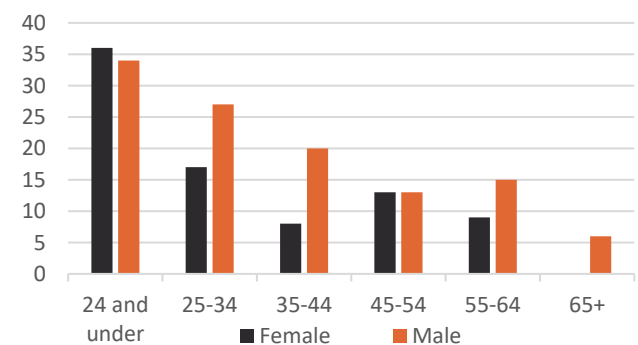


In light of the remote location and size of the workforce this rate is not considered to be of concern. Ongoing monitoring of this rate will assist the organisation with future planning.

### 2.7.2 Termination Rates by Years of Service



### 2.7.3 Termination Rates by Age and Gender



# Appendix D3 Strategic Community Plan Workforce Implications

## 3.1 Overview

This section addresses:

- The Strategic Community Plan and Corporate Business Plan;
- Key risk areas;
- Future workforce demand and requirements; and
- Workforce Supply Demand Analysis.

## 3.2 Strategic Community Plan and Corporate Business Plan

The Shire's adopted Strategic Community Plan 2015 and Corporate Business Plan 2013-2017 require major review. Community engagement was undertaken in October 2019 with a new Strategic Community Plan developed in March 2020, as the current Strategic Community 2015 was due for a major review, including community engagement. The new 2020 Strategic Community Plan requires finalising and adoption by Council. A summary of priorities over the next four years (generated from the Strategic Community Plan) will then be incorporated into the Shire's new Corporate Business Plan. The new plans are key to ensuring the Shire's strategic direction continues to be aligned with the community's vision and aspirations for the district.

The Workforce Plan is part of a broader integrated planning framework aimed at achieving the Shire's Vision as identified in Council's adopted Strategic Community Plan 2015 'The Shire of Halls Creek town and remote communities are economically diverse, caring, and proactive with a strong sense of responsibility and pride.' Whilst also acknowledging the slight amendment in the draft 2020 Plan 'The town and remote communities of the Shire of Halls Creek are sustainable, enterprising, caring and proactive with a strong sense of responsibility and pride'.

This draft 2020 Plan identifies four key objectives:

- Local Jobs
- Local Economy
- Local Social
- Community Leadership

There are a range of challenges impacting on the Shire and potential strategic shifts in business operations that may occur that will directly impact the way services are delivered and resourced.

## 3.3 Core Business and Service Delivery

Over a number of years, the Shire has been subject to a considerable increase in the number of core and non-core services it is required to deliver. This increase has occurred through a variety of means including natural growth, higher ratepayer expectations and significant cost shifting to local government. Not only has this placed pressure on current resources to deliver existing services, it further limits the opportunity to focus resources on emerging areas of strategic importance such as community development, economic development and increasing an advocacy and strategic leadership and facilitation role.

As part of the overall planning process, elected members and the executive have redefined the range of core and non-core areas that form the basis of its delivery of its services to its community. They have also identified core and non-core services that potentially could be:

- Outsourced to an external provider;
- Insourced from other Shires; and
- Open to collaborative opportunities with other Shires to provide services on one another's behalf.
- The above strategic issues have significant implications for workforce planning including:
- Reallocation of resources as collaborative, insourcing and outsourcing arrangements are identified and acted upon;
- New or enhanced skill requirements to operate in a more collaborative manner, manage projects and contracts in future insourced or outsourced delivery models; and
- Management of staff during associated change processes.

## 3.4 Key Risk Areas

An analysis of the current workforce identified the following risks areas. These risks have been assessed using the risk based approach as set out in Appendix D3. A scoring system was used to determine a risk category of extreme, high, moderate, low or very low.

The risk events are scored according to their likelihood, and consequence and risk mitigation strategic actions have been developed.

The result of the assessment is presented in the table below, with the last column being cross referenced to the primary mitigation strategies set out in Appendix D4 of this Plan.

# Appendix D3 Strategic Community Plan Workforce Implications (Continued)

## 3.5 Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category <sup>4</sup>	Cross Ref: Appendix D4 – 4.8 Workforce Strategies   Objectives
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High	3.2.2
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High	3.1.1   3.1.2
Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	Moderate	3.2.2
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	Moderate	1.1.1   3.1.1
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	Moderate	1.3.1   1.5.1   2.2.2   2.3.1
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate	1.1.1   1.5.1
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Low	1.3.1   2.2.1   3.2.2
Long leave absences of key staff due to large accrued leave entitlement	Unlikely	Minor	Minor	Minor	Low	3.2.1   3.2.2

<sup>4</sup> Appendix A – Risk Assessment Methodology

# Appendix D4 Strategies to Meet Future Workforce Needs

## 4.1 Workforce Supply Demand Analysis

In meeting future challenges, the Shire continually reviews its core functions in terms of potential outsourcing, insourcing and collaborations.

The initiatives identified below will have an impact upon the corporate services section, in terms of:

- Reviewing internal processes and procedures with the goal of gaining greater transactional efficiencies; and
- Providing strong reporting outcomes and operational advice to the Elected Members and the executive.

The staffing resource for corporate services remains relatively unchanged over the term of the Plan, with no forecast increases or decreases. There is ongoing review of services provision and demand, with potential for the Shire to provide the cashless debit service in the future.

Requirement for project management roles fluctuate and are addressed as required. There is a focus on tailoring staffing numbers to community service level requirements, appropriate employee numbers and correct cultural fit to the organisation.

Community services are predicted to see a continuation of current levels of demand for services and consideration will need to be given to maintaining current resources.

Infrastructure services are stable, although of note due to the remote location, attracting and retaining employees in this area is an ongoing challenge. Utilising a mix of workforce of both local contractors and permanent staff as required.

The Shire has a key focus on retaining a roads crew, to provide and support opportunities for employment for the local community. Required resource capacity is forecast to be adequately maintained at current levels.

## 4.2 Strategic Shifts

There has been a significant shift over the last few years in the delivery of core and non-core business of Local Government, due to federal and state government cost shifting and this is being evidenced within the Shire.

As part of the workforce planning process, the Shire has redefined its core and non-core services, this is an ongoing process, with constant review and development required.

Whilst the core businesses of the Shire still take precedence as a fundamental service delivery priority, there has been growth in what has been considered non-core services such as community development, economic development and tourism.

These changes bring with them a significant shift in the role of the Shire - a more facilitative, advocacy, project manager role than a “doer” or direct deliverer of services.

This will have significant implications for the Shire in the mid-term. It may result in new or changing job roles, skills and additional allocation of resources to meet some of the changing requirements. Some of the emerging capability requirements will be in areas such as project management, economic development, community development, asset managers and specialised planning.

## 4.3 Service Delivery Models

Along with the business shifts and growth opportunities identified in the Strategic Community Plan, there is a significant need and opportunity for the Shire to analyse how it delivers services to add to efficiency and effectiveness. This may include the review and updating of processes for greater efficiency, automating, considering alternative delivery models and collaborative approaches. This will have significant implications for the corporate and community services area as they will be required to drive these processes. It will also impact on infrastructure services that have a significant number of projects to deliver.

Some of the strategies to be considered include systematically reviewing job roles and functions to gain greater efficiencies and effectiveness, realigning resources and redesigning jobs and delivery structures.

# Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

## 4.4 Succession Management

Currently, succession planning is managed by developing multi-skilled employees to ensure in the event of sudden loss of staff, key positions are covered to limit service delivery impact. Some succession gaps are evident, and a formal succession management process is not currently active. Permanent on the job training and skills development of young staff is required to cover the succession of senior operational staff. Due to the remote location of the Shire, long term retention of staff is limited, however the Shire is keen to increase attractiveness and retention of employees.

## 4.5 Developing Young Local Talent

The Shire, where possible, identifies and is open to developing local talent. Traineeship and apprenticeship opportunities are made available.

The Shire has a history of sourcing local talent, representing not only a valuable workforce pool but it also contributing to the economic development of the district. Workforce strategies available to promote this aim include providing student work experience opportunities and offering apprenticeships and traineeships where opportunities arise.

## 4.6 Additional Incentives

The Shire currently offers subsidised accommodation for some employees. Location allowance as per the award, loyalty allowance as per Council's strategy and additional superannuation are also provided. There is potential for allowing an allocation for employees travel time for annual leave trips due to the remote location. A relocation allowance is available for certain positions and is negotiated through the recruitment process. Whilst the Shire is committed to provide these incentives, the challenges in maintaining them should be considered due to the lack of suitable housing available within the Shire.

## 4.7 Performance Outcomes and Measures

The following diagram identifies the Shire's strategic objectives and how the Shire intends to assess the effectiveness of the actions.



### 4.7.1 Diagram: Workforce Plan Performance Measurement

The key strategic objectives identified above drive the core strategies of the Workforce Plan, these are in the tables following.

Ongoing	∞
Short - Medium Term   2021-2024	■
Longer Term   2024 onwards	→

The prioritisation of the actions identified in the following tables are reflected by the following symbols, indicating when the action is planned to be undertaken.

# Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

## 4.8 Workforce Objectives and Strategies

### Objective 1. Attracting and selecting the right people

#### Attracting and retaining people with the capability and commitment to contribute to the Shire of Halls Creek

Strategy	Action	Timing
1.1 Customised recruitment strategies that meet the needs and expectations of the organisation	1.1.1 As vacancies arise consider opportunities within organisation structure and bespoke recruitment to the new role requirements	∞
1.2 Identify and market the benefits of working for the Shire of Halls Creek	1.2.1 Maintain list of financial and non-financial rewards and benefits offered to employees	∞
1.3 Ensure an appropriate induction and orientation process	1.3.1 Review the current induction and orientation process	■
1.4 Continue to focus on local employment where opportunities exist	1.4.1 Promote the Shire as an employer to the local community and to educational institutions	■
1.5 Improve selection outcomes	1.5.1 Review the selection process to ensure people with the right skills sets and most suitable candidate are selected for the future needs and growth of the Shire	■

### Objective 2. Retaining and engaging our valued workforce

#### Building and retaining a highly engaged workforce, committed and connected to our Shire and community

2.1 Improve skills in day to day leadership	2.1.1 Identify relevant training needs and opportunities	■
2.2 Provide sufficient job role clarity, work direction, workload management, feedback on performance and support in role	2.2.1 Ensure current job descriptions are in place and provided at commencement in roles	■
	2.2.2 Undertake performance reviews as per policy and employment agreements	■
2.3 Regular communication with the workforce	2.3.1 Continue regular meetings between executive and supervisors	■

# Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

**Objective 3. A strategic workforce, with the capability and capacity to meet strategic objectives**

**Building a flexible, innovative, and capable workforce**

Strategy	Action	Timing
3.1 Appropriate organisational structure	3.1.1 Regular assessment of organisation structure, seeking to meet the needs of the organisation whilst recognising the funding restrictions	∞
	3.1.2 Continue to seek external funding where possible and look for opportunities for resource sharing where appropriate	∞
3.2 Recognised critical positions and critical position management	3.2.1 Recruit skilled personnel as required, recognising opportunities for FIFO and off-site employees or contractors to meet essential skills if appropriate	∞
	3.2.2 Ensure appropriate policies and procedures documented to assist in mitigating knowledge loss risk due to staff turnover	■
3.3 Ensure appropriate job descriptions	3.3.1 Job descriptions reviews conducted as part of the induction and performance review process	∞



# Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

## 4.9 Key Performance Indicators

Key performance indicators are listed below.

Strategic Workforce Objective	Workforce Outcomes	Assessment	Ratio Or Measure
Attracting and selecting a capable and committed workforce	Adequate staff levels with appropriate skills	Effectiveness of recruitment processes	Average number of vacancies annually
Retaining and engaging our valued workforce	Staff turnover	The percentage of employee initiated separation rate	Gross number of staff resignations divided by total staff
	Employee leave	Accrued leave liability	Number of employees with accrued annual leave exceeding 150 hours
	Sick leave	The number of workplace absences due to health related reasons	Number of sick day absences divided by number of available working days
	Training and development	The average level of investment in training	Training expense divided by number of FTE employees
A strategic workforce, with the capability and capacity to meet strategic objectives	Appropriate policies and procedures in plan	Review of policies and procedures (Audit Regulation 17 Review)	Non-compliance noted
	Occupational Health and Safety	Frequency and cost of lost time injuries	Total hours lost due to injury divided by number of work hours available

# Appendix D5 Monitoring and Evaluation of Outcomes

## 5.1 Evaluation

The ongoing evaluation of the Workforce Plan is required to address the following:

- The progress towards meeting the performance indicator targets; and
- The progress towards meeting strategic actions of the Workforce Plan.

## 5.2 Implementation

Implementation of the Workforce Plan may be impacted by competitive priorities and the need for the application of dedicated resources. For a return to be achieved on the current planning investment, these matters will need to continue to be a focus in the future.

## 5.3 Review

Regular review of the Workforce Plan, particularly the strategies and actions contained in the tables, is required to ensure they are being achieved. The preferred timing is a review at least annually. The Strategic Resource Plan will need to be reviewed annually and its financial impact included in the Corporate Business Plan and Annual Budget.

# Appendix D6 Risk Assessment Methodology

Probability of Occurrence or Likelihood			
Likelihood	Definition	Frequency Of Noted Occurrences	Score
Almost Certain	Expected to occur in most circumstances or occurs regularly. A clear opportunity already apparent, which can easily be achieved.	More than once per year.	5
Likely	Occurrence is noticeable or is likely to occur, an opportunity that has been explored and may be achievable.	At least once per year.	4
Possible	Occurs occasionally or may occur, possible opportunity identified.	At least once in 5 years.	3
Unlikely	Occurs infrequently or is not likely to occur, opportunity that is unlikely to happen.	At least once in 10 years.	2
Rare	Only occurs in exceptional circumstances, opportunity that is very unlikely to happen.	Less than once in 20 years.	1

Likelihood		Consequence				
		Insignificant	Minor	Moderate	Major	Catastrophic
Score		1	2	3	4	5
Almost Certain	5	Moderate	High	High	Extreme/Exceptional	Extreme/Exceptional
Likely	4	Moderate	Moderate	High	High	Extreme/Exceptional
Possible	3	Low	Moderate	Moderate	High	High
Unlikely	2	Low	Low	Moderate	Moderate	High
Rare	1	Very Low	Low	Low	Moderate	Moderate

## Action Required

Extreme/Exceptional	Immediate corrective action required
High	Prioritised action required
Moderate	Planned action required
Low	Planned action required
Very Low	Manage by routine procedures

# Appendix D6 Risk Assessment Methodology (Continued)

Area Impacted	Impact	Consequence				
		Catastrophic	Major	Moderate	Minor	Insignificant
Service Delivery/ Business Disruption	Loss of service.	Major including several important areas of service and/or a protracted period.	Complete loss of an important service area for a short period.	Major effect to an important service area for a short period, brief impact on multiple areas.	Brief disruption of important service area, Noticeable effect to non-crucial service area,	Negligible impact on the effectiveness of the organisation's processes.
	Improvement to service(s).	Exceptional.	Major.	Moderate.	Minor.	Negligible.
	Disruption in business processes.	Ongoing loss of business systems.	Major.	Moderate.	Minor.	Negligible.
Financial	Loss of assets.	>15% of asset value.	5%-15% of asset value.	2%-5% of asset value.	< 2 of asset value.	Insignificant.
	Impact on annual revenues or costs (Adverse or positive).	> 15% deviation from budget.	5%→15% deviation from budget.	2%→5% deviation from budget.	<2% deviation from budget.	Negligible income and/or savings.
	External Audit issues.	Audit unable to be completed.	Audit qualification on the report and accounts.	Management letter contains significant issues.	Management letter contains minor issues.	Matters discussed with management not reported.
Physical	Level of Incident.	Extreme affecting organisation's survival.	Significant affecting multiple locations.	Localised significant effect on operations.	Localised no effect on operations.	Not notifiable or reportable.
Legislative/ Regulatory/ Policy/ OSH	Regulatory non-compliance.	Criminal.	Major Revenue or cost implications. Individuals at risk of harm.	Minor Revenue or cost implications.		
	Code of Conduct.	Extreme.	Significant.	Breach.	Minor breach.	Little or no impact.
	Personal details compromised/ revealed.	All.	Many.	Some.	Isolated.	An individual's.
	Level of Injury.	Death.	Multiple serious injuries.	Serious injury and /or illness.	First aid or minor lost time injury.	Incident with or without minor injury.
Performance	Ability to achieve key objectives.	Unable to achieve.	Major impact.	Moderate impact.	Minor impact.	Negligible impact.
	Improvement on the delivery of key strategic objectives.	Exceptional improvement.	Major improvement.	Moderate improvement.	Minor improvement.	Negligible improvement.
	Ability to be managed with the current resources.	External resources required.	Impact cannot be managed.	Significant adjustment to resource allocation.	Additional internal management efforts required.	Impact can be managed through routine activities.
	Loss of Infrastructure.	Ongoing loss of critical infrastructure.	Long-term loss of critical infrastructure.	Loss of support infrastructure.	Interruption to support infrastructure.	Negligible interruption to support infrastructure.
Environmental	Environmental harm	Catastrophic long term environmental harm.	Significant long-term environmental harm.	Significant short-term environmental harm.	Minor transient environmental harm.	Negligible transient environmental harm
	Improvement to environment	Exceptional improvement and/or national environment.	Major improvement.	Moderate improvement.	Minor improvement.	Negligible improvement.

# Other Matters

## Preparation

This Plan was prepared for the Shire of Halls Creek by Moore Australia (WA) Pty Ltd.

## Reliance

This Plan has been prepared for the exclusive use of the Shire of Halls Creek and for the purposes specified in our letter of engagement and is not to be used for any other purpose or distributed to any other party without Moore Australia WA's prior consent. This Plan is supplied in good faith and reflects the knowledge, expertise and experience of the engagement consultant and is based on the information and representations provided by the Shire of Halls Creek. We accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of reliance on the report, other than the Shire of Halls Creek.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of Shire of Halls Creek and the environment in which it operates ('Forward Looking Statements').

None of these Forward Looking Statements are or will be representations as to future matters. The Forward Looking Statements are, and will be, based on a large number of assumptions and are, and will be, subject to significant uncertainties and contingencies, many, if not all, of which are outside the control of the Shire of Halls Creek. Actual future events may vary significantly from the Forward Looking Statements. Recipients should make their own investigations and enquiries regarding assumptions, uncertainties and contingencies which may affect the Shire of Halls Creek and the impact that a variation in future outcomes may have on the Plan and the Shire of Halls Creek.

## Document Management

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Council Resolution	2021/091

## References

Reference to the following documents or sources were made during the preparation of the Draft Strategic Resource Plan.

- Shire of Halls Creek Strategic Community Plan 2015;
- Shire of Halls Creek Draft Strategic Community Plan 2020;
- Shire of Halls Creek Employee information, extracted May 2021;
- Shire of Halls Creek Annual Financial Report 2019-20;
- Shire of Halls Creek Adopted Annual Budget 2020-21; and
- Council website: [www.hallscreek.wa.gov.au](http://www.hallscreek.wa.gov.au)

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